ABOUT YOU

ANNUAL FINANCIAL STATEMENTS FY 2022/2023
OF ABOUT YOU HOLDING SE INCL. COMBINED MANAGEMENT
REPORT OF ABOUT YOU HOLDING SE AND THE GROUP
CONVENIENCE TRANSLATION

Content

1. Combined Management Report

This Combined Management Report comprises both the Group Management Report and the Management Report of ABOUT YOU Holding SE. It reports on the business operations as well as the current situation and expected development of ABOUT YOU Holding SE ("ABOUT YOU” or "Company") and its fully consolidated subsidiaries (together with ABOUT YOU referred to as "Group").

The comments on ABOUT YOU are included in a separate section of the economic report with disclosures according to the German Commercial Code (HGB). The Consolidated Financial Statements of the Company have been prepared in accordance with Section 315e of the HGB in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. With the exception of the HGB disclosures in the chapter "Supplementary Management Report to the Separate Financial Statements of ABOUT YOU Holding SE", all key financial figures contained in this Combined Management Report, including the comparative figures for the previous financial year, have been prepared in accordance with IFRS. The German Accounting Standard 20 (GAS 20) "Combined Management Report" has been applied. In the chapter "Accounting Policies" of the notes to the Consolidated Financial Statement, additional disclosures are made on the underlying accounting principles.

1.1 Background to the Group

1.1.1 Business Model

ABOUT YOU has become one of Europe’s fastest-growing online fashion stores of scale and is a leading e-commerce player for the Gen Y&Z with over 45 million monthly active users.[1] By digitizing the offline shopping stroll, ABOUT YOU creates an inspiring and personalized shopping experience on the smartphone. The target group includes women and men between the ages of 18 and 40, who can find an assortment of more than 600,000 items[2] from around 3,800 brands[3] on aboutyou.com and in the ABOUT YOU app, including the own brands "ABOUT YOU" and "EDITED". ABOUT YOU is represented in all key markets in Continental Europe and in total ships to around 100 countries worldwide with the help of ABOUT YOU Global Shipping. In addition to the Commerce business, the Group has licensed its infrastructure, enabling corporate customers in the lifestyle sector and other industries to leverage ABOUT YOU's proprietary technology through its SCAYLE brand with its software-as-a-service ("SaaS") solution.

With influencer-driven discovery shopping, ABOUT YOU aims to inspire customers who are not looking to purchase any specific item or brand, enabling an exclusive and personalized online shopping experience that makes ABOUT YOU one of the preferred online fashion stores for young and fashion-conscious customers. With an online fashion market penetration of around 30% in 2022[4], ABOUT YOU expects continued strong growth in the online fashion market, mainly due to the continued rise in the use of smartphones and social media. The so-called Gen Y&Z "digital natives" who tend to be inspired by influencers rather

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[1] The data is voluntary and therefore unaudited.
[2] The data is voluntary and therefore unaudited.
[3] Brands with revenue >0 EUR based on data from Germany in FY 2022/2023, excl. second love items – The data is voluntary and therefore unaudited.
[4] Euromonitor (2022) - International Retailing, retail price, current prices, fixed exchange rate 2022

than traditional advertising and often make impulse purchases[5], will continue to contribute to a sustained shift from offline to online offerings. With its innovative and digital offering, aimed in particular at the Gen Y&Z, ABOUT YOU is ideally positioned to benefit from the ongoing shift of the fashion market from offline to online retail.

To meet the ever-changing demand for fashion items, ABOUT YOU's Commerce business operates with a hybrid business model consisting of 1P and 3P. 1P refers to ABOUT YOU's own inventory, while 3P refers to partners' inventory. Both 1P and 3P are seamlessly integrated into ABOUT YOU's shopping offering. This enables an attractive value proposition for both customers and brands. ABOUT YOU stocks the most in-demand items from third-party brands in its own warehouses to ensure fast delivery times and to negotiate attractive prices. As a key component of 1P, the Group has established its own brands “ABOUT YOU” and “EDITED", among others, and regularly launches exclusive collaborations, so-called COOPs, in close cooperation with influencers, celebrities, and brands. With the 3P model, ABOUT YOU enables brand partners to market their products via its online fashion store in two different operating models: Drop-Shipping, where the partner is responsible for its fulfillment, and "Fulfillment by ABOUT YOU" ("FbAY"), where ABOUT YOU manages the fulfillment. With 3P, ABOUT YOU can offer its customers a wide selection of relevant fashion items with full price control, while the partners benefit from the opportunity to target a young, digital, and social media-driven audience.

To fully leverage its expertise in e-commerce technology and marketing, ABOUT YOU established its Tech, Media, and Enabling ("TME") segment in 2018. It comprises B2B e-commerce software solutions ("Tech"), various advertising formats for brands ("Media"), and 360° services along the e-commerce value chain for third-party brands, including e-commerce operations and marketing growth services ("Enabling"). To further expand its B2B business and help other companies grow their D2C business, ABOUT YOU launched the B2B brand SCAYLE ("SCAYLE Commerce Engine"). The SCAYLE Commerce Engine is based on a modern and flexible headless infrastructure with an API-first approach and, as a modular ("composable") SaaS product, enables flexible expansion of a digital business featuring various application areas such as advanced B2C commerce, internationalization, omnichannel, and marketplace. As a technical backbone for the development of an international D2C business, brands and retailers gain access to the entire Commerce infrastructure of ABOUT YOU in a flexible solution as an enterprise cloud license product. The SCAYLE Business Services extend the technology offering with strategic and operational know-how. They include data-driven digital marketing in the areas of consulting, analytics and attribution, influencer marketing, as well as commerce operations with a pan-European logistics network and global shipping options.

As of February 28, 2023, ABOUT YOU had 1,282 permanent full-time employees ("FTE").

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[5] According to the 5WPR Consumer Survey 2022

1.1.2 Group Structure

Management and Control

The Group is controlled by ABOUT YOU as the parent company, in which all management functions are bundled. The Group's revenue is mainly generated by ABOUT YOU SE & Co. KG, which is directly or indirectly fully controlled by ABOUT YOU.

ABOUT YOU’s Management Board consists of the three members: Tarek Müller (Co-Founder and Co-CEO), Hannes Wiese (Co-Founder and Co-CEO), and Sebastian Betz (Co-Founder and Co-CEO) who are jointly responsible for the strategy and operational management of the Group.

The Supervisory Board consists of six members who appoint and advise the Management Board and monitor its management activities. It is directly involved in all decisions of major importance to the Company. In particular, the Supervisory Board reviews the Annual Financial Statements and the Combined Management Report and reports on the results of its examination in the Supervisory Board's report to the Annual General Meeting.

Group Segments

In line with the Group's internal steering, the segment reporting is structured according to the Group's business segments.

The ABOUT YOU DACH segment remains the segment with the highest revenue in the current financial year. The DACH segment includes the ABOUT YOU online stores in Germany, Austria, and Switzerland. In addition to the DACH segment, there is also the ABOUT YOU Rest of Europe ("RoE") segment. This segment includes the ABOUT YOU online stores in the other European countries. The TME segment essentially comprises three service businesses: the SaaS solution SCAYLE Commerce Technology (Tech), brand and advertising solutions (Media), and 360° services along ABOUT YOU's e-commerce value chain as well as other revenue-generating services and business areas (Enabling).

1.1.3 Vision, Mission, and Corporate Strategy

Vision and Mission[6]

ABOUT YOU’s values are to be fast, stay hungry, and execute with passion. Based on these values, the Group is continuously working to realize its vision of outgrowing the market and becoming the global #1 fashion platform.

The three pillars that form the foundation for ABOUT YOU's success and shape the Group's mission are shown in the illustration "Vision and Mission":

[6] The contents of this chapter or section are voluntary and therefore unaudited.

[Illustration]: Vision and Mission

Corporate Strategy

To realize its vision, ABOUT YOU pursues a clear strategy based on five strategic priorities.

Capture the E-Commerce Fashion Market by Accelerating the Offline to Online Shift

For FY 2022/2023, the online fashion market recorded a significant decline compared to previous years. According to the German E-Commerce Association (bevh), online fashion revenue in Germany dropped by 13.7% in 2022.[7] This downward trend is primarily due to the uncertainty among the population caused by the outbreak of the war in Ukraine and the increased cost of living. Nevertheless, as customers' satisfaction with e-commerce is at an all-time high, bevh is forecasting a rapid recovery with above-average growth rates as soon as consumer sentiment improves again.[8] According to the Management Board's assessment, the current downturn has no material impact on the overall long-term rising growth trend in the online fashion market that was anticipated prior to Covid-19 starting in FY 2019/2020. In fact, the current trend is in line with the long-term growth trajectory that would have occurred had Covid-19 not broken out. Overall, this points to a significant potential for further growth, particularly among younger customers: According to Eurostat, the highest proportion of internet users ordering fashion online in 2022 was in the 16 to 24 age group, closely followed by the 25 to 54 age group.[9]

The ABOUT YOU offering is mobile and geared towards the younger generation of customers. Given the increase in online shopping and media consumption by the Gen Y&Z as well as the professionalization of the influencer ecosystem, discovery shopping is becoming increasingly important compared to traditional window shopping.[10] Thanks to the inspirational and the influencer-driven shopping experience, as well as the highly scalable B2B e-commerce software solutions, the Management Board is convinced that ABOUT YOU

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[7] bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]
[8] bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]
[9] Eurostat (March 2023) E-commerce statistics for individuals
[10] Market study conducted by Ipsos on behalf of ABOUT YOU

is ideally positioned to capture a significant share of the European fashion market and to become the global #1 fashion platform in the long run.

Scaling and Profitability of Existing Markets

As ABOUT YOU's online fashion store was designed to scale and expand geographically, the Group has regularly explored opportunities to expand into new markets. To implement these expansion plans, ABOUT YOU utilized its agile and efficient go-to-market playbook, which enables fast and cost-effective roll-outs into new markets. As such, the Group expanded its reach outside the DACH region to Belgium and the Netherlands ("BeNe") in FY 2017/2018, followed by Central and Eastern Europe ("CEE") in FY 2018/2019, and Southern Europe ("SEU") as well as the Nordics in FY 2020/2021. To explore further growth and investment opportunities, ABOUT YOU Global Shipping went online in December 2021 at aboutyou.com in English and Spanish with a selected range of products. Today, the Group can ship to a total of around 100 countries worldwide with the help of this service.

Due to its strong presence in all key markets in Continental Europe, ABOUT YOU is not planning any further expansion into new markets in FY 2023/2024 but will rather focus on the further development of its existing markets, in line with the go-to-market playbook. This initially entails the scaling phase, i.e., a strong build-up phase of the customer base and high growth. This is followed by the profitability phase, i.e., the medium- to long-term goal of break-even after market entry and continuing to grow profitably.

Expand the Offering of Own Labels and Exclusive Products and Add New Product Categories

To differentiate itself from its competitors, ABOUT YOU has expanded its range of third-party fashion items with Own Labels as well as exclusive COOPs. This allows ABOUT YOU to create a fashion offering tailored to its core customer groups. In addition, its strong presence on social media and experience with influencers makes it easier to identify trends. Offering such exclusive products leads to increased customer loyalty and attracts new customers.

According to the Management Board, ABOUT YOU has earned trust and credibility with this fashion offering and is thus well-positioned to expand the existing range with new product categories. In this manner, the online offering was expanded to include the categories of bodywear and men's jewelry, as well as additional childrenswear items in FY 2022/2023. This is a further step towards addressing a broader customer base.

Scale and Expand the TME Business

ABOUT YOU monetizes its proprietary technological infrastructure, markets its website inventory, and offers its value chain through the TME segment as a SaaS product. The aim is to strengthen and expand the B2B business line in the e-commerce infrastructure market and build a solid and loyal corporate customer base.

To further drive TME's growth, ABOUT YOU plans to grow its sales team, to develop new products, and to expand the existing product range. Additionally, the Group aims to up- and cross-sell its solutions to new and existing customers to increase revenue per customer. At the same time, ABOUT YOU intends to create synergy effects through greater interaction within the Tech, Media, and Enabling sub-segments.

The B2B brand SCAYLE, which provides services to external corporate customers independently of the ABOUT YOU Commerce ecosystem, is expected to remain a key contributor to this end. For SCAYLE’s successful positioning and to push the acquisition of new customers outside the DACH region, local sales teams for Benelux, Scandinavia and the United Kingdom were established in FY 2022/2023. In addition, ABOUT YOU is in the process of spinning off SCAYLE's business operations into a separate entity. Based on the license and service agreements concluded with enterprise customers, including renowned new customers, SCAYLE acquired a total revenue volume of around EUR 100 million over the contract period in 2022.[11]

Continue to Improve Adjusted EBITDA Margin to Achieve Profitability

The Management Board plans to achieve adjusted EBITDA break-even at Group level by the end of FY 2023/2024. ABOUT YOU aims to achieve this goal by increasing gross margin while reducing marketing, fulfillment, and administrative costs relative to revenue.

To increase gross margin, ABOUT YOU is currently optimizing its inventory levels by aligning upcoming inventory orders to current demand from customers. This is also expected to lead to a lower discount intensity, as the inventory level should be more in line with demand.

Marketing costs represent the largest efficiency lever by scaling back large-scale events and branding campaigns. In addition, there will be no major new market entries in FY 2023/2024, thereby removing the need for larger marketing campaigns to increase brand awareness in new markets. Furthermore, the positive effect of the intensified focus on the profitability of new customers should become visible in performance marketing measures in the next financial year.

Finally, administrative costs are expected to benefit from positive economies of scale and efficiency gains, as well as from the slowdown in new hires for non-technical functions.

1.1.4 Management System

The Group's key performance indicators are revenue and adjusted EBITDA.

Adjusted EBITDA is not a recognized financial indicator under IFRS. The Management Board of ABOUT YOU believes that the adjustments to EBITDA allow the performance to be compared on a consistent basis excluding special items. Adjusted EBITDA is defined as EBITDA excluding share-based payment expenses, restructuring costs, and non-operating one-time effects. Non-operating one-time effects are defined as key non-recurring expenses or income that do not result from the Group's core activities. The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

1.1.5 Research and Development

It is characteristic for ABOUT YOU as an e-commerce and technology company to invest in its own technological infrastructure. Capitalized own development costs amounted to EUR 36.4 million in FY 2022/2023 (2021/2022: EUR 23.8 million). Depreciation of capitalized development costs amounted to EUR 18.2 million in FY 2022/2023 (2021/2022: EUR 9.9 million). The rise in development costs illustrates the increasing further development of the company's own technological infrastructure to meet the increased demands on operating processes and systems due to growth and the expansion of the B2B services offered. Research costs were insignificant in FY 2022/2023.

[11] Planned revenue of customers within the contract period were multiplied by SCAYLE's respective license fee. The about 100 million euros are technology revenue only and do not include revenue from affiliated companies or shareholders.

1.2 Report on Economic Position

1.2.1 Macroeconomic and Sector-Specific Environment

During FY 2022/2023, the overall economic situation was impacted by the war in Ukraine, global measures to combat inflation, a tightening of monetary policy measures, and the development of the Covid-19 pandemic. Against this backdrop, the International Monetary Fund (IMF) estimates that the global economy grew by only 3.4% overall in 2022 (2021: 6.2%).[12] Compared with the last estimate in October 2022, the growth expectation was revised upward by 0.2 percentage points. This was due to unexpectedly high resilience in numerous economies supported by stronger-than-forecast private consumption and higher-than-expected fiscal policy measures. In the euro zone, the IMF estimates that the economy grew by 3.5% in 2022 (2021: 5.3%). In contrast with the last estimate in October 2022, growth expectations were revised upward by 0.2 percentage points supported by lower-than-expected energy prices and additional fiscal policy measures to support purchasing power.

Even though global economic growth developed slightly better than expected towards the end of 2022, growth rates were significantly lower than in 2021. A deterioration in macroeconomic factors, high inflation rates, and rising key interest rates have led to a decline in consumer sentiment, adversely impacting growth in the online fashion market. In addition, as the Covid-19 pandemic has eased, demand between the online fashion market and brick-and-mortar retail has returned to the long-term trend line. These effects were particularly visible in the online apparel segment in Germany. According to bevh estimates, this fell by 13.7% in 2022 compared with the prior year (2021: 16.8%).[13]

1.2.2 Business Development

Despite the challenging market environment, ABOUT YOU closed its FY 2022/2023 with solid growth and improved customer metrics, in line with adjusted expectations. The Group recorded a 10.0% YoY increase in revenue to EUR 1,904.6 million (2021/2022: EUR 1,731.6 million). Adjusted EBITDA from March 1, 2022, to February 28, 2023, was EUR -137.0 million (2021/2022: EUR -66.9 million), corresponding to an adjusted EBITDA margin of -7.2% (2021/2022: -3.9%). Both revenue and adjusted EBITDA are thus in line with the adjusted guidance in September 2022 and concretized in January 2023.

ABOUT YOU’s FY 2022/2023 started in a difficult market environment. The war in Ukraine caused a decline in demand, especially in the CEE countries. In the Group’s core DACH markets, Covid-19 restrictions were maintained until the end of April 2022, limiting buying opportunities for ABOUT YOU's core going-out fashion categories. Rising inflation and increasing consumer uncertainty also contributed to a challenging market environment. At the start of Q2 2022/2023, macroeconomic indicators continued to deteriorate, and consumer sentiment continued to decline. The resulting increase in inventories in the fashion industry led to a highly competitive market environment and elevated discounting levels in the online fashion market.

The multiple external factors in H1 2022/2023 also led to increased volatility in revenue for the Group. For example, at the beginning of the financial year, i.e., in the early phase of the war

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[12] IMF (January 2023) World Economic Outlook
[13] bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]

in Ukraine, low growth rates were recorded. Towards the middle of H1 2022/2023, growth recovered and increased to a healthy level, but then weakened again towards the end of H1 2022/2023 as consumer uncertainty increased. Overall, in H1 2022/2023 revenue growth was slightly below expectations at 14.3%, with revenue growth still at 19.4% in Q1 2022/2023 but slowing to 8.9% in Q2 2022/2023.

In Q3 2022/2023, the difficult macroeconomic environment continued to weigh on revenue development and caused increased volatility compared to the prior-year's quarter. For example, inflation in the euro zone reached new highs and consumer sentiment also fell to historic lows. The resulting increase in inventories in the fashion industry continued to create a discount-intensive online fashion market environment, and consumer behavior also saw a greater focus on the purchase of discounted items. These developments led the Group to reduce its revenue guidance on September 13, 2022. Thus, declining consumer sentiment and the deterioration in macroeconomic factors impacted the revenue and earnings performance stronger and longer than could have been anticipated at the time the full-year guidance was published in May 2022. Overall, revenue growth in Q3 2022/2023 was 8.3% and thus did not to accelerate, contrary to expectations at the beginning of the financial year. Despite implementing a wide range of measures to adjust the Group's cost structure to the market environment, earnings were still negatively affected by the rapidly deteriorating market environment. Additionally, inflationary dynamics added to the difficulties in achieving economies of scale, particularly in the logistics area.

On January 10, 2023, the publication of the Q3 results confirmed the revenue and earnings guidance at the lower end of the range communicated in September. Consequently, the Group had assumed a slowdown in revenue growth in Q4 2022/2023 compared to Q3 2022/2023, which was confirmed. As a result, revenue growth in Q4 2022/2023 was 3.4%. The slowdown was caused by a continued discount-intensive market environment in the online fashion market, persistently weak consumer sentiment, lower marketing expenses, and revenue deferral and one-time effects.

	Original guidance FY 2022/2023	Adjusted guidance FY 2022/2023	Concretized guidance FY 2022/2023	Results FY 2022/2023
Revenue growth	+25 to +35%	+10 to +20%	Lower end of adjusted guidance	+10%
Adjusted EBITDA	-70 to -50 EUR million	-140 to -120 million EUR	Lower end of -140 to -120 million EUR	-137 EUR million
Adjusted EBITDA margin	-3.2% to -2.1%	-7.3% to -5.8%	-7.3% to -5.8%	-7,2%
Capital expenditure	60 to 80 million EUR	60 to 80 million EUR	60 to 80 million EUR	55million EUR
Net working capital	Neutral	Neutral	Neutral	Neutral (41 million EUR)

1.3 Group Results of Operation

To improve the controllability of individual cost items and to increase comparability with competitors, ABOUT YOU works with additional performance indicators known as Alternative Performance Measures ("APMs"). Four cost APMs are decisive for ABOUT YOU: costs of sales (in connection with gross profit), fulfillment costs, marketing costs, and administrative costs, and their respective ratios to revenue.

These APMs break down the Group's costs in such a way that it becomes visible whether and where these costs were incurred for revenue generation. This makes it easier to distinguish costs with variable portions from costs with higher fixed cost portions. The Group’s results of operations can hence be managed with greater accuracy during the strong growth phase.

Income Statement based on APM

in EUR million	**2022/2023**	**as % of revenue**	2021/2022	as % of revenue
Revenue	**1,904.6**	**100.0%**	**1,731.6**	**100.0%**
Growth rate	10.0%	-	48.5%	-
Costs of sales	1,184.0	62.2%	1,028.0	59.4%
Gross profit	**720.6**	**37.8%**	**703.7**	**40.6%**
Fulfillment costs	466.2	24.5%	347.4	20.1%
Marketing costs	302.7	15.9%	328.5	19.0%
Administrative costs	88.7	4.7%	94.7	5.5%
Adjusted EBITDA	**(137.0)**	**(7.2)%**	**(66.9)**	**(3.9)%**

1.3.1 Revenue Development

In FY 2022/2023, Group revenue increased by 10.0% YoY to EUR 1,904.6 million (2021/2022: EUR 1,731.6 million).

The change in customer behavior is also reflected in transactional data. The average basket size (LTM) has decreased by 5.2% YoY from EUR 57.8 to EUR 54.8 compared to February 28, 2022. Besides an elevated discount level, this is also driven by a slightly higher return rate in contrast with the previous year. The average order frequency per active customers increased by 7.1% YoY to 3.1 (2021/2022 LTM: 2.9). The order frequency rose as a result of the product assortment expansion, an improvement in customer experience, the increase in brand awareness, and age structure effects of customer cohorts. Consequently, orders also increased by 19.7% YoY to 39.4 million orders (2021/2022: 32.9 million). The improvement in order frequency more than compensated for the LTM decrease in basket sizes in the customers' spendings. As a result, the average GMV per customer in FY 2022/2023 (LTM) grew by 1.5% YoY from EUR 167.1 to EUR 169.6. [14]

In a difficult market environment, the number of LTM active customers (LTM in million) rose from 11.4 million as of February 28, 2022, to 12.7 million as of February 28, 2023, representing

[14] The content of this sentence is voluntary and therefore unaudited.

an increase of 11.8% YoY. The grow was achieved through successful marketing campaigns and events to increase brand awareness as well as media-driven sales campaigns.

1.3.2 Alternative Performance Measures (APM)

Definition and Development of Gross Profit

Gross profit is defined as the difference between revenue and costs of sales. Cost of sales mainly comprise the cost of goods sold, expenses for inbound logistics, write-downs of inventories, and other costs relating to revenue. Cost of sales represents the cost of goods sold less rebates, discounts, and bonuses granted by suppliers. Inbound logistics expenses include all expenses incurred before inventories are stored in the fulfillment centers and consist mainly of customs and inbound transportation expenses (including related personnel expenses). Inventory write-downs reflect write-downs of inventories to net realizable value to account for risks arising from reduced demand or quality of goods. Other costs of sales mainly comprise IT costs for B2B services and related personnel expenses. Other costs of sales also include personnel, IT, and infrastructure expenses in connection with the procurement of inventories. Cost of sales is reduced by the estimated amount of the expense of goods sold that is expected to be returned by customers. Gross margin is calculated as the ratio of gross profit to revenue.

In FY 2022/2023, cost of sales amounted to EUR 1,184.0 million (2021/2022: EUR 1,028.0 million) and gross profit of EUR 720.6 million (2021/2022: EUR 703.7 million) was generated in the last financial year. The disproportionate increase in the cost of sales led to a decline in the gross margin. It declined by 280 basis points YoY to 37.8% in FY 2022/2023 (2021/2022: 40.6%). Increased inventories in the fashion industry, for example, led to a discount-intensive market environment and weighed significantly on the gross margin. Furthermore, customers also demanded discounted items particularly frequently, which had an additional negative impact on the gross margin. The increased share of high-margin B2B revenue in the TME segment and Own Labels in the Commerce business only partially compensated for these adverse effects.

Definition and Development of Fulfillment Costs

Fulfillment costs mainly consist of expenses for outbound and returns logistics, distribution infrastructure expenses, payment transaction expenses, and service costs. Outbound logistics include expenses for warehousing, packaging, pick and pack, delivery costs, as well as the personnel and IT infrastructure expenses associated with these processes. Return logistics expenses consist primarily of inbound logistics expenses for returns and the costs of return centers. Payment transaction expenses are all expenses related to the payment process, including expenses for external payment providers, bank charges for transactions, and the associated personnel and IT infrastructure. Service costs are the expenses for call centers as well as service-related IT and personnel costs (B2C as well as B2B). Fulfillment costs thus include selling expenses except for marketing costs. The ratio of fulfillment costs is calculated as the ratio of fulfillment costs to revenue.

In FY 2022/2023, fulfillment costs increased by 34.2% to EUR 466.2 million (2021/2022: EUR 347.4 million). The fulfillment cost-to-revenue ratio increased by 440 basis points YoY to 24.5% (2021/2022: 20.1%). The increase is due to several factors. First, as expected, ABOUT YOU is seeing the return rate moving back toward pre-Covid levels, resulting in a slight YoY decline in net basket sizes. Second, logistics costs have come under pressure from inflationary dynamics (e.g., higher fuel costs, higher packaging costs, and wage increases), making it more difficult to realize economies of scale. Third, the expansion of the European distribution network creates one-time costs and operational complexity. Fourth, the relatively low revenue growth in FY 2022/2023 results in a higher fixed cost ratio. Finally, elevated inventory levels resulting from the revenue development led to a temporary increase in warehousing and processing costs. The increase in the fulfillment cost-to-revenue ratio in FY 2022/2023 is therefore a mix of temporary effects, which are expected to decrease in FY 2023/2024, and structural effects, which are expected to persist over a longer time horizon.

Definition and Development of Marketing Costs

Marketing costs mainly comprise external expenses for online and offline advertising, cooperation and production costs, and the personnel and IT infrastructure expenses associated with these processes. Online marketing costs relate mainly to social media channels, CRM, search engine advertising, and affiliate marketing. Offline marketing mainly comprises costs from TV, radio, and billboard campaigns, as well as offline shows and events. Cooperation costs refer to various costs incurred through cooperations with external parties such as influencers or brands. Production costs include expenses for editorial content, video productions, product, and model photography. The marketing cost-to-revenue ratio is calculated as the ratio of marketing costs to revenue.

Marketing costs decreased by 7.9% to EUR 302.7 million in the last financial year (2021/2022: EUR 328.5 million). This represents a 310-basis point reduction in the cost-to-revenue ratio for FY 2022/2023 to 15.9% (2021/2022: 19.0%). The first half of FY 2022/2023 was characterized by continued high campaign activity in newer markets in Northern and Southern Europe as well as marketing events such as the ABOUT YOU Awards in Milan and the Big Bang campaign in Norway. However, in the second half of FY 2022/2023, marketing costs decreased significantly. On the one hand, this was due to a base effect, as large-scale market entry campaigns were carried out in Italy, Greece, Portugal, and France in the prior-year period. On the other hand, a reduction in the return-on-investment targets for new customers in the steering of marketing channels and thus a stronger focus on short-term efficiency in marketing measures in response to a volatile and discount-intensive market environment also led to a reduction in marketing costs.

Definition and Development of Administrative Expenses

Administrative costs are composed primarily of personnel expenses, office infrastructure, and legal and consulting costs. Administrative costs originate from departments operating across the Group (such as Human Resources and Recruiting, Finance, Business Intelligence, and Legal) as well as from departments with internal functions (such as Facility, IT Security, Infrastructure, or Office Management). Furthermore, cost centers with strategy, planning, management, or control functions as well as other operating expenses and other operating income not related to the cost lines are subsumed here. The administrative cost-to-revenue ratio is calculated as the ratio of administrative expenses to revenue.

Administrative expenses decreased overall by 6.3% to EUR 88.7 million in FY 2022/2023 (2021/2022: EUR 94.7 million) despite a generally high level of inflation compared to the previous year. Accordingly, the cost-to-revenue ratio was reduced by 80 basis points to 4.7% (2021/2022: 5.5%). The improved cost-to-revenue ratio is attributable to positive scaling effects and operational efficiency measures.

Development and Reconciliation of Adjusted EBITDA

In the past financial year, adjusted EBITDA amounted to EUR -137.0 million (2021/2022: EUR -66.9 million). This corresponds to an adjusted EBITDA margin of -7.2% (2021/2022: -3.9%). The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

The adjusted EBITDA development in FY 2022/2023 is characterized, on the one hand, by revenue growth and the improvement in the cost-to-revenue ratio. On the other hand, this development is offset by a lower gross margin and an increased fulfillment cost-to-revenue ratio as a result of the increase in the cost of sales. The increase in the fulfillment cost ratio in FY 2022/2023 is a mix of temporary effects, which are expected to decrease in 2023/2024, and structural effects, which are estimated to persist over a longer time horizon. In developing adjusted EBITDA, these temporary one-time effects and the current macroeconomic environment must be considered. FY 2022/2023 was a year of high growth expectations for the Group and accompanying commitments to strategic marketing campaigns as well as inventory and infrastructure expansion. These expectations faced a difficult and volatile market environment. Despite implementing a wide range of measures to adjust the Group's cost structure to the market environment, ABOUT YOU's earnings were still negatively affected by the rapidly deteriorating market environment.

A total of EUR 14.6 million has been adjusted for FY 2022/2023 (2021/2022: EUR 28.1 million). Of this amount, EUR 2.1 million stems from non-operating one-time effects incurred in connection with the change in the corporate structure of SCAYLE and the Payments unit, and EUR 12.4 million from expenses for share-based payments. These costs were eliminated in the calculation of adjusted EBITDA.

Adjustments

in EUR million	**2022/2023**	2021/2022
Adjusted EBITDA	**(137.0)**	**(66.9)**
Equity-settled share-based compensation	(12.4)	(14.8)
Non-operating one-time effects	(2.1)	(13.2)
EBITDA	**(151.6)**	**(95.0)**

Nature of Expenses: Reconciliation of the Consolidated Income Statement to APM

	2022/2023					
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	**1,904.6**	**(1,184.0)**	**(466.2)**	**(30.,7)**	**(88.7)**	**(137.0)**
Cost of sales	(1,178.4)	(1,178.4)	-	-	-	-
Personnel expenses	(94.0)	(12.4)	(9.2)	(37.8)	(34.6)	-
Other operating expenses	(820.9)	(5.2)	(480.6)	(272.5)	(62.7)	-
Other operating income	15.3	-	14.5	-	0.8	-
Own work capitalized[15]	36.4	12.0	9.0	7.6	7.8	-
Adjusted EBITDA	**(137.0)**	**-**	**-**	**-**	**-**	**-**

[15] Own work capitalized includes internal personnel costs and all other cost items eligible for capitalization.

2021/2022						
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	**1,731.6**	**(1,028.0)**	**(347.4)**	**(328.5)**	**(94.7)**	**(66.9)**
Cost of sales	(1,023.3)	(1,023.3)	-	-	-	-
Personnel expenses	(71.2)	(7.7)	(8.0)	(26.8)	(28.7)	-
Other operating expenses	(730.9)	(3.4)	(344.5)	(312.4)	(70.6)	-
Other operating income	3.1	-	2.8	-	0.3	-
Own work capitalized[15]	23.8	6.4	2.2	10.7	4.4	-
Adjusted EBITDA	**(66.9)**	**-**	**-**	**-**	**-**	**-**

1.3.3 Segment Results of Operation

The following sections provide additional explanations on segment reporting. These are disclosures from the internal reporting, which include both the intersegment transactions and the revenue recognition used for internal management purposes. Further information on segment reporting can be found in the Notes to the Consolidated Financial Statements (See Section 3.7.6).

ABOUT YOU DACH

The ABOUT YOU DACH segment revenue grew by 9.1% to EUR 916.3 million in FY 2022/2023 (2021/2022: EUR 839.9 million). The continuing Covid-19 restrictions at the beginning of the financial year as well as declining consumer sentiment and a deterioration of macroeconomic factors in the further course of the financial year, had a negative impact on revenue momentum. Within the region, revenue development was twofold. In Austria and Switzerland, ABOUT YOU continued to grow strongly. The German market, on the other hand, proved to be more difficult and reported slower growth, due to negative consumer sentiment and high inflation dynamics.

The segment achieved an adjusted EBITDA of EUR 13.5 million in FY 2022/2023 (2021/2022: EUR 55.5 million), representing a decline in the adjusted EBITDA margin of 510 basis points to 1.5% (2021/2022: 6.6%). The adjusted EBITDA margin decreased YoY but remained positive despite a difficult macroeconomic environment. The decline resulted from a higher fulfillment cost-to-revenue ratio, which was mainly impacted by cost increases as well as an increased returns ratio. The cost increases are mainly attributable to the current high level of inflation and to increasing complexity in connection with the expansion of the logistics network. In addition, elevated discount levels weighed on margin performance, particularly in the second half of FY 2022/2023.

ABOUT YOU Rest of Europe or RoE

Revenue in the Rest of Europe segment increased by 17.3% to EUR 900.4 million in FY 2022/2023 (2021/2022: EUR 767.7 million).

The positive revenue development and the increase in brand awareness in the RoE segment were supported by large-scale media and marketing campaigns, particularly at the beginning of the financial year. Thus, the Northern European markets developed particularly positively and benefited from rising brand awareness, while the Southern European markets suffered from declining consumer sentiment. Revenue development in the CEE countries was positive despite the ongoing war in Ukraine, weak consumer sentiment due to high inflation rates and a highly competitive market environment.

The segment reported adjusted EBITDA of -168.7 million in FY 2022/2023 (2021/2022: -145.1 million). This corresponds to an improvement in the adjusted EBITDA margin of 20 basis points to -18.7% (2021/2022: -18.9%). Drivers for the RoE segment losses are elevated discount levels, increased costs related to the logistics network expansion, and investments for new customer acquisition and brand building in the newer markets in Southern and Northern Europe at the beginning of FY 2022/2023. However, the scope of large-scale market entry campaigns was lower than in the same period last year, slightly counteracting the overall high cost and investment pressure in the RoE segment. In general, FY 2022/2023 was characterized by high growth expectations and investments, particularly for the RoE segment, which faced an extremely difficult market environment. The measures implemented to adjust the business to the lower-than-anticipated level of demand did have an effect. However, in the short term, they were only partially successful in offsetting the significant impact on earnings caused by growth Investments and lower demand.

Tech, Media, Enabling or TME

In FY 2022/2023, revenue in the TME segment increased by 16.5% to EUR 195.1 million (2021/2022: EUR 167.4 million). This increase is due, among other things, to the successful brand positioning of SCAYLE, the expansion of SCAYLE revenue, and the onboarding of new customers. Nevertheless, the development of revenue with existing B2B customers is declining. Many of ABOUT YOU's B2B customers are seeing declining online revenue due to the difficult market environment and were faced with a strong comparison base from the previous year. This negatively impacted the growth momentum of the TME segment, as a significant portion of TME revenue is directly tied to B2B customers' online revenue. Further, a slightly declining spending willingness can be observed on the part of B2B customers in the Media segment, while fulfillment services are being used significantly more.

Adjusted EBITDA in FY 2022/2023 amounted to EUR 31.4 million (2021/2022: EUR 29.0 million). This corresponds to a decrease in the adjusted EBITDA margin of 120 basis points to 16.1% (2021/2022: 17.3%). On the one hand, the margin decline can be explained by the muted growth momentum of high-margin SaaS/licensing revenue, which is linked to B2B customer revenue. On the other hand, high investments were made in internationalization and market access, particularly in the SCAYLE context. In addition, many large and complex implementation projects were underway, which will only be converted into high-margin SaaS/license revenue in the medium term. Until then, these projects will be billed on a time and materials basis, with corresponding implications for the short-term margin structure.

1.3.4 Cash Flows

The liquidity position and financial performance of the Group are shown in the condensed statement of cash flows below: The liquidity position and financial performance of the Group are shown in the condensed statement of cash flows below:

Condensed Statement of Cash Flows of the Group from March 1, 2022, to February 28, 2023

in EUR million	**28/2/2023**	28/2/2022
Cash flow from operating activities	**(206.5)**	**(110.1)**
Cash flow from investing activities	**(54.5)**	**(45.8)**
Cash flow from financing activities	**(30.4)**	**544.2**
Cash and cash equivalents at beginning of period	496.2	107.9
Net change in cash and cash equivalents	(291.4)	388.3
Cash and cash equivalents at end of period	**204.9**	**496.2**

In the past financial year, ABOUT YOU generated a cash flow from operating activities of EUR -206.5 million (2021/2022: EUR -110.1 million). The development is due on the one hand to the higher negative EBITDA of EUR -151.6 million (2021/2022: EUR -95.0 million) and on the other hand to a higher commitment of funds in Net Working Capital, which is due in particular to the disproportionate increase in Inventories compared to the Revenue Development compared to the same period of the previous year. The development of inventories was driven by higher growth expectations, which were met by a difficult market environment. In addition, the introduction of the European network of distribution centers led to an expansion of decentralized storage capacities and thus contributed to an increased level of inventories.

Cash flow from investing activities amounted to EUR -54.5 million in the reporting year (2021/2022: EUR -45.8 million). The cash outflows are primarily attributable to investments in internally developed software and loans to investments. Cash outflows for investments in intangible assets and property, plant and equipment amounted to EUR 38.2 million in FY 2022/2023 (2021/2022: EUR 28.1 million). Disbursements for loans and related interest income - which key include working capital loans for influencer brands and incubators - amounted to EUR 16.2 million in FY 2022/2023 (2021/2022: EUR 13.9 million

Free cash flow (cash flow from operating activities plus cash flow from investing activities) consequently amounted to EUR -261.0 million in FY 2022/2023 (2021/2022: EUR -155.9 million).

Cash flow from financing activities amounted to EUR -30.4 million in FY 2022/2023 (2021/2022: EUR 544.2 million) and includes EUR 26.6 million in lease payments excluding interest (2021/2022: EUR 12.1 million) and interest payments in connection with Lease liabilities of EUR 3.6 million (2021/2022: EUR 0.3 million). Lease liabilities mainly result from the establishment and expansion of distribution centers towards a European distribution network. The positive cash flow in the previous year included capital contributions from the listing less related costs.

As of February 28, 2023, ABOUT YOU had cash and cash equivalents of EUR 204.9 million (February 28, 2022: EUR 496.2 million). ABOUT YOU was able to always meet its payment obligations during the current financial year.

1.3.5 Financial Position

Condensed Balance Sheet

The Group's net assets are presented in the condensed balance sheet below:

Condensed Balance Sheet of the Group as of February 28, 2023

Assets

in EUR million	**28/2/2023**	28/2/2022
Non-current assets	300.9	130.8
Current assets	880.5	1,053.5
Balance sheet total	**1,181.4**	**1,184.3**

Equity and liabilities

in EUR million	**28/2/2023**	28/2/2022
Equity	366.6	583.5
Non-current liabilities	179.9	53.0
Current liabilities	634.9	547.8
Balance sheet total	**1,181.4**	**1,184.3**

Non-current assets include intangible assets, right-of-use assets in accordance with IFRS 16, property, plant and equipment, and financial assets. The increase of EUR 18.2 million in intangible assets is mainly attributable to investments in internally developed software. Right-of-use assets increased by EUR 141.9 million compared with February 28, 2022. The key reasons for this are the renewed contract for the distribution center in Altenkunstadt (effective with Q1 2022/2023) and the first-time capitalization of the right-of-use assets for the new distribution centers in Poland (effective with Q2 2022/2023) and France (effective with Q3 2022/2023), which expand ABOUT YOU's distribution network in Europe by two additional locations in addition to the existing locations in Germany (Altenkunstadt) and Slovakia. The agreements grant ABOUT YOU the exclusive right-of-use under long-term contractual models. In addition, there was an increase of EUR 8.9 million in other non-current financial assets, primarily from loans and working capital credits for companies included using the equity method and for investments in influencer brands.

Current assets are mainly composed of inventories of merchandise, trade receivables and other receivables, other assets, and cash and cash equivalents. The decrease in current assets compared to February 28, 2022, is mainly due to the EUR 291.4 million decrease in cash and cash equivalents explained in more detail in section 2.3.4. This was offset by the increase in Inventories of EUR 166.5 million compared with February 28, 2022. The development of inventories mainly resulted from higher growth expectations, which were met with a difficult market environment. In addition, the roll-out of the European network of distribution centers has led to an expansion of decentralized storage capacities, contributing to an increased inventory level compared to February 28, 2022. In addition, the third-party FbAY inventory from the 3P business model recognized at the Group increased sharply YoY due to growth from this business model.

Trade receivables and other receivables showed a decrease of EUR 35.2 million compared to February 28, 2022. This is due on the one hand to the development of demand caused by macroeconomic factors and on the other hand to the result of continuous optimization measures in factoring and receivables management, which effectively reduced payment terms.

Other non-financial assets decreased by EUR 13.3 million compared with February 28, 2022, and continue to largely comprise the claim for return of goods expected to be returned (February 28, 2023: EUR 40.6 million; February 28, 2022: EUR 39.6 million). This corresponds to the amount of the acquisition costs of the delivered goods for which a return is expected, considering the costs incurred for the processing of the returns and the losses incurred upon disposal. In addition, receivables from other taxes in the amount of EUR 7.0 million (February 28, 2022: EUR 24.9 million) are recognized, which mainly stem from sales tax receivables. Other components of this item relate to accruals for future expenses (February 28, 2023: EUR 11.0 million; February 28, 2022: EUR 5.8 million), as well as supplier bonus claims (February 28, 2023: EUR 9.6 million; February 28, 2022: EUR 6.9 million).

Equity decreased by EUR 216.9 million as of February 28, 2023 compared to February 28, 2022. The decrease in equity is key to the negative result for the period in the amount of EUR 229.0 million. The capital reserve increased by EUR 12.5 million, mainly due to expenses for share-based payments.

As of February 28, 2023, non-current liabilities mainly include lease liabilities of EUR 172.9 million, which increased by EUR 125.0 million compared to February 28, 2022. While capitalizing the right-of-use from the renewed contract for the distribution center in Altenkunstadt, the new distribution center in Poland and the new distribution center in France, an offsetting increase in liabilities from leases must be recognized on a discounted basis.

Current liabilities are mainly composed of Trade payables and other liabilities. The increase in current liabilities compared to February 28, 2022, is mainly due to an increase in trade payables of EUR 58.9 million, which is mainly due to the development of inventories.

Current leases include the current portion of lease liabilities in accordance with IFRS 16, which amounted to EUR 45.2 million as of February 28, 2023 (February 28, 2022: EUR 12.1 million). In line with the development of right-of-use and non-current Lease liabilities, the increase is mainly due to the renewed or new contracts of the distribution centers in Germany and Poland.

A stable development can be observed in other non-financial liabilities, which decreased only slightly by EUR 4.9 million. This item includes both the provision for returns and liabilities from the use of reverse factoring agreements.

Other non-financial liabilities mainly comprise VAT liabilities and are at the level of the previous year.

Net Working Capital

The calculation of net working capital is shown in the following table:

	in EUR million	28/2/2023	28/2/2022
(+)	**Current assets excl. Cash and cash equivalents**	**675.7**	**557.3**
	Inventories	554.9	388.4
	Trade receivables and other receivables	40.7	75.9
	Other financial assets	0.0	0.0
	Other non-financial assets	80.1	93.0
(-)	**Current liabilities**	**634.9**	**547.8**
	Trade payables	406.6	347.7
	Lease liabilities	45.2	12.1
	Other financial liabilities	103.1	108.0
	Other non-financial liabilities	78.2	79.6
	Other provisions	1.7	0.4
=	**Net Working Capital**	**40.7**	**9.5**

Net working capital as of February 28, 2023 amounts to EUR 40.7 million (February 28, 2022: EUR 9.5 million). The development of Net Working Capital mainly results from a relatively high inventory level as of February 28, 2023. Drivers for the inventory development were higher growth expectations, which met with a difficult market environment. These effects were not offset by the other components of Net Working Capital.

Inventories are at a high level as of February 28, 2023, primarily due to the restrained Revenue Development. Macroeconomic factors had a negative impact on demand and inventories ordered in advance could not be adjusted in the short term. In addition, the introduction of the European network of distribution centers led to an expansion of decentralized warehouse capacities and thus contributed to an increased inventory level. Third-party FbAY inventory from the 3P model also increased sharply compared to February 28, 2022, due to growth from this business model.

Trade receivables and other receivables decreased. On the one hand, this is due to the demand trend caused by macroeconomic factors. On the other hand, this development is the result of continuous optimization measures in factoring and receivables management, which enabled payment terms to be reduced.

The increase in current liabilities compared to February 28, 2022, mainly stems from an increase in trade payables of EUR 58.9 million, which is mainly due to inventory development.

The increase in lease liabilities is mainly due to the renewed or new contracts of the distribution centers in Germany, Poland, and France. Other financial liabilities and other non-financial liabilities are at the level of the previous year.

1.3.6 Employees

As of February 28, 2023, the Group had 1,282 full-time employees. This represents an increase of 110 permanent employees compared with February 28, 2022 (1,172 permanent employees).

1.3.7 Report on Relationships with Related Parties

ABOUT YOU’s Management Board submitted the Dependency Report required by Section 312 of the German Stock Corporation Act (AktG) for FY 2022/2023 20to the Supervisory Board and issued the following final declaration:

Pursuant to Section 312 (3) 20of the German Stock Corporation Act (AktG), we declare that the Company received appropriate consideration for each legal transactions listed in the report on relations with affiliated companies in FY 2022/2023, based on the circumstances known to ABOUT YOU at the time the legal transactions were carried out.

1.4 Non-Financial Group Report

The ESG Report for FY 2022/2023 will be published on May 17, 2023. It is available on the ABOUT YOU website under About Us. The legally required separate non-financial statement of ABOUT YOU pursuant to Sections 315b, 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) is integrated into this ESG Report.

1.5 Risk and Opportunity Report

The Group actively manages its exposure to economic, industry, financial and company-specific risks and opportunities. The following section describes ABOUT YOU‘s risk management system (“RMS”) and provides an overview of the Group‘s key material risks and opportunities.

1.5.1 Risk and Opportunity Management System

Together with the Compliance Management System (“CMS“) and the Internal Control System (“ICS“), the RMS is an integral part of the Corporate Governance System of ABOUT YOU and the Group. The implementation and integration of the three systems form the basis of an effective corporate governance. The RMS defines the overall control objectives and prepares the risk assessment for all business areas.

ABOUT YOU has established its RMS in accordance based on the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (“COSO ERM”) criteria.

Objectives of the Risk and Opportunity Management System

The objectives of the RMS are to promote active risk awareness, create transparency about risks and opportunities, and enable risks to be identified and managed through a regular and systematic process that allows appropriate risk measures to be taken.

RMS objectives include:

- Foster awareness: Developing an active risk and opportunity culture and raising employee awareness of risks;
- Create transparency: Early identification of risks and opportunities to enable effective countermeasures at every organizational level in the Group;
- Take proactive actions: Structured handling of risks, including documentation, reporting, assessment, control and monitoring of risks, and measures to mitigate risks;

- **Adhere to regulations:** Compliance with statutory and legal requirements, including the required reporting of risks to the Management Board and the Audit Committee of the Supervisory Board as part of a standardized procedure;
- **Serve as a guideline:** The results of the RMS can serve as a guideline for informed business decisions.

ABOUT YOU uses this structured approach to meet regulatory requirements such as the Auditing Standards ("PS") 340 and 981 of the Institute of Public Auditors in Germany ("IDW").

Risks and Opportunities Identification

Risks and opportunities are continuously identified and monitored to ensure transparency about ad hoc risks. In addition, overarching risks are recorded centrally, while function-specific risks are identified, measured, and documented on a decentralized basis as part of a semi-annual risk process. The risk management team then conducts a structured and overarching risk assessment.

Risk Assessment

Risks are assessed in terms of the probability of their occurrence and the potential financial and qualitative impact within a time horizon of twelve months using three scenarios (pessimistic scenario, realistic scenario, optimistic scenario). Each risk is associated with risk measures (bear risk, minimize risk, avoid risk), each of which is also assessed in terms of its impact on the aforementioned factors. The evaluation of the risks results in a risk-specific gross risk, which describes the risks before the measures are applied, and a net risk, which includes the effects of the risk measures taken. This assessment is made on an individual basis; risks are then classified into three levels according to their probability of occurrence and potential impact: low risk, moderate risk, top risk. In addition, the identified risks are summarized in accordance with the COSO-ERM standards and classified into 19 company-specific risk groups.

Measured on this scale, the top risks are those with at least a high net financial impact and at least a moderate net probability of occurrence. These risks are closely monitored, addressed, and measures are taken in each case to minimize the net effect of these risks.

The results of the net risk assessment are systematized in two different ways as follows. The two systematizations are carried out as part of the half-yearly risk process:

- Simulation of the overall expected impact of the risk based on the net financial impact (cash impact level) and the net probability of occurrence of all individual risks. A Monte Carlo simulation considers the estimated probability of occurrence, three financial impact scenarios (optimistic, realistic, and pessimistic scenario) and the mitigation effects of the risk mitigation measures on both dimensions. The corresponding measures are reviewed and submitted by the risk leads as part of the risk assessment process.
- Linking the financial impact of the individual risks with the probability of occurrence to derive a risk rating (top, moderate, low risk). The illustration “ABOUT YOU Net Risk Inventory" provides an overview of all combinations and the resulting risk ratings. The COSO categories are applied to show the number of risks by classification for each category.

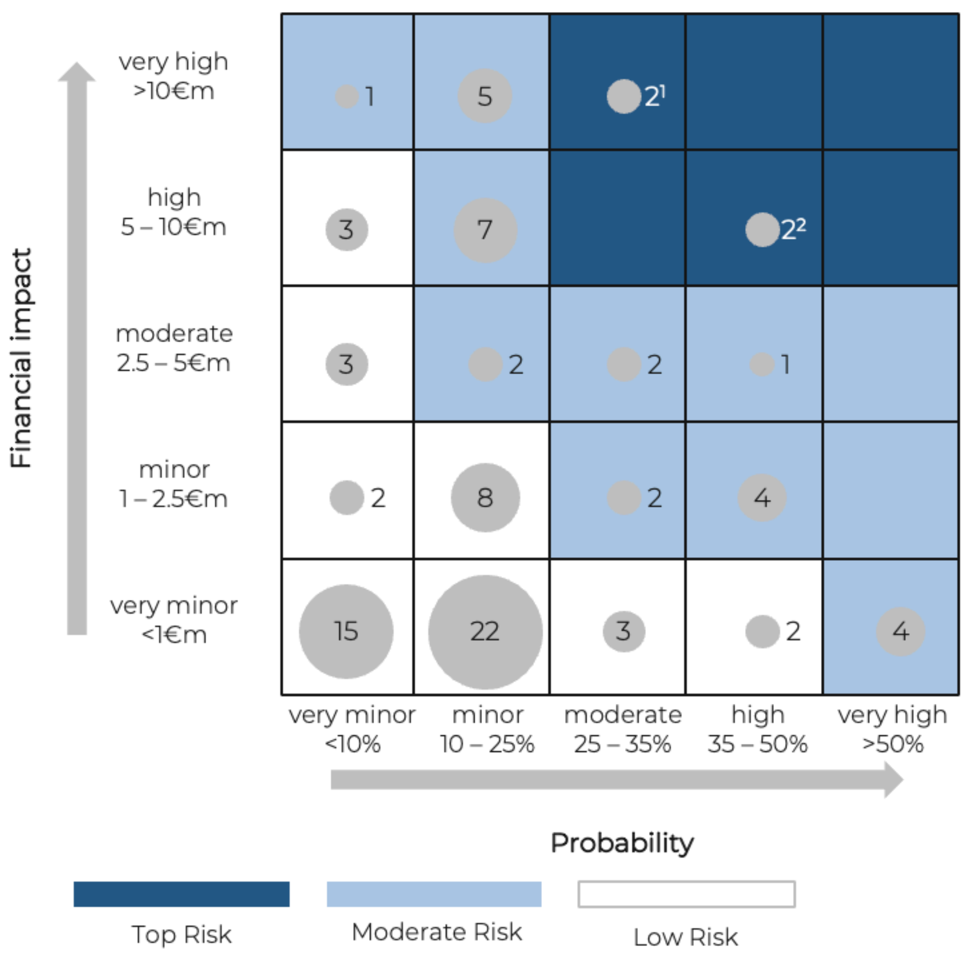
ABOUT YOU assesses its risk-bearing capacity based on its overall (financial) development twice a year. The Group defines its risk-bearing capacity as the average liquidity (cash and cash equivalents and marketable debt securities and similar investments) over the next twelve months. Risk-bearing capacity is calculated as part of each risk loop. ABOUT YOU applies the liquidity approach to calculate its risk-bearing capacity in accordance with IDW PS 340.

The further development of the Group’s business also involves the acceptance and management of certain risks. Risk appetite is defined as the acceptance of a certain level of risk in order to achieve the Group‘s objectives and create value added. The determination of risk-bearing capacity sets the upper boundaries for risk appetite.

The risk tolerance resembles the boundaries within which ABOUT YOU is willing to operate given its risk appetite. The Management Board has set risk tolerances for the individual functional areas. The appropriate level of risk tolerance is graded individually by the organization, led by the managers of the functions. Overall, risk appetite is implemented through formalized tools (e.g., individual performance targets for managers; Code of Ethics) and informal exchanges with management (e.g., during monthly stand-up meetings with the Management Board).

As part of this year‘s risk review, all risks were reviewed again and classified according to environmental, social and governance (ESG) aspects. ESG risks are subject to additional strict monitoring by the ESG system, which also includes monthly reviews by the Management Board.

[Figure]: ABOUT YOU Net Risk Inventory



1 Top Risks: Overstock, Data leakage

2 Top Risks: Buying price increase , Insufficient warehouse capacities

Risk and Opportunity Management System Improvements, Control, and Communication

The adequacy and effectiveness of the RMS are monitored by process-integrated and process-independent controls.

Process-independent controls include a full review of the RMS processes, which takes place every two years and is conducted by the risk management team. The process includes the identification of areas for improvement and subsequent adjustments following a review by the Management Board. In addition, an independent RMS review is included in ABOUT YOU's audit plan. Process-integrated controls include a regular internal quality assurance process for continuous improvement of the RMS. Risk reporting takes place twice a year and results in a comprehensive risk report with an updated risk inventory and a risk presentation with a risk matrix.

Each risk report is reviewed and confirmed by the Management Board. The risk reporting process is initiated by the risk management team. The risk management team is responsible for preparing the report and initiating its review by the Management Board. After review by the Management Board, each report is submitted to the Audit Committee and the

Supervisory Board to ensure oversight of the overall risk strategy. The Supervisory Board and the Audit Committee have direct access to the risk management team and can carry out further review measures at any time if necessary.

Internal Control System Structure[16]

In addition of the company-wide RMS, ABOUT YOU has an accounting-related ICS in accordance with Section 315 (4) of the German Commercial Code (HGB), which is discussed in more detail in the following section.

The ICS was expanded to include the non-accounting aspects of ESG and IT security, along with COSO. With the ICS, ABOUT YOU pursues the goal of identifying, assessing, and controlling operational risks within the Group that could have a key influence on the appropriateness of the content and presentation of the consolidated financial statements, management reporting and the annual report. The ICS comprises various control measures based on a methodical process.

The risks relevant for reporting as well as the controls to reduce these risks are analyzed and documented. Cross-process risk control matrices have been implemented in the Group for this purpose, which include features such as description and type of control, control frequency, and parties responsible for executing and monitoring. The implemented control mechanisms are characterized by cross-functional processes within the Group.

ABOUT YOU‘s ICS is continuously updated and adapted to changing processes. The effectiveness of the controls is evaluated on a regular basis. The Management Board reports to the Audit Committee on the ICS at least twice in the financial year.

Based on the results of the various ICS, RMS and CMS audits, assessments and reports cited above, the Management Board is not aware of any reasons which might speak against an appropriateness or effectiveness.

Accounting-related Internal Control System

ABOUT YOU has implemented an accounting-related ICS within the Group in accordance with Section 315 (4) of the German Commercial Code (HGB). The objective of the ICS is to ensure the correctness, completeness, and reliability of internal and external accounting in accordance with IFRS and the German Commercial Code (HGB), which result from Sections 76 (1), 93 (1) of the German Stock Corporation Act (AktG) and Section 107 (3) sentence 2 of the AktG. Central to this is the identification, assessment and management of all risks that could have a key impact on the proper content and fair presentation of the consolidated statement of financial position, the consolidated statement of income and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity, the notes to the consolidated financial statements and the combined management report. The accounting-related ICS provides for preventive, investigative, monitoring and error correction measures to ensure the accuracy of the accounting and external financial reporting.

Risks relevant to external financial reporting and the controls used to mitigate these risks are analyzed and documented on an ongoing basis. A cross-process risk control matrix defines relevant controls, including the description and type of control of the risk to be mitigated, the frequency of controls, and the persons responsible for implementing and monitoring

[16] The content of this paragraph is voluntary and therefore unaudited.

them. The appropriateness and effectiveness of the accounting-related ICS is regularly and continuously reviewed and further developed by those responsible in the finance department.

1.5.2 Illustration of Risks

ABOUT YOU has updated and identified the risks throughout the Group. This resulted in a total of 90 risks that could impact the Group within the next twelve months (see table "Overview of Risk Clusters"). No individual risks or risk groups were identified that could jeopardize the continued existence of the Group.

[Figure]: Overview Risk Clusters

Risk dimension and –subcategory (COSO)	Total risks	Top risks	Moderate risks	Low risks
A) Strategic	15		9	6
1. ABOUT YOU company strategy	2		1	1
2. Competition	1			1
3. Sustainability	2		1	1
4. Markets / expansion	5		2	3
5. Brand / reputation	5		5	
B) Operations	56	3	16	37
6. Suppliers	5		2	3
7. Logistics	20	1	7	12
8. Sales	12		4	8
9. CRM	6		1	5
10. IT operations	5		1	4
11. HR	3		1	2
12. Pricing	4	2		2
13. Project management	1			1
C) Reporting / finance	8			8
14. Treasury	5			5
15. Controlling	3			3
16. Taxes	0			
D) Compliance / legal	11	1	3	7
17. Legal	5		1	4
18. Compliance	5		2	3
19. Data privacy & security	1	1		

The key changes in the Group's risk and opportunity assessment result from macroeconomic developments such as the war in Ukraine, high inflation, low consumer sentiment, and the global energy crisis. In addition, ongoing challenges in global supply chains, industry-wide high inventory levels, as well as changing regulatory requirements, such as new ESG legislation and changes to existing reporting standards, result in a need to update risk assessments. Also, due to the ongoing expansion of ABOUT YOU and the increasing complexity given the Group's operations in all key markets in Continental Europe, new company-specific risks have been identified.

Further details regarding the main risk dimensions, including the four top risks, are provided below:

Strategic Risks

The risk profile of the strategic risks is characterized by many macroeconomic developments. The war in Ukraine is at the center of the risk evaluation, together with the resulting global influences, such as the high inflation rate. Additionally, the Group's strategic risk profile is also confronted with increasing competitive dynamics in existing and new markets.

The war in Ukraine offers risk potential for the Group‘s business in neighboring markets such as the Baltic States, Romania, and Poland. The conflict has a particularly negative impact on the consumer climate in the CEE region and thus on the business development of ABOUT YOU. The effects can come from both the consumer side (e.g., lower demand due to an overall decline in spending, especially on fashion; lower event demand; higher inflation as a result of the conflict) and the business side (e.g., weakened marketing activities). ABOUT YOU has consciously factored the risk into its business planning. Compared to the previous financial year, the risk position has thus been reduced, so that it no longer represents a top risk. However, the Group continues to take several measures to further reduce the risk, such as actively monitoring the consumer climate through brand KPI surveys or adjusting marketing campaigns.

Operational Risks

Operational risks are mainly characterized by macroeconomic influences. The central drivers are the continuing prevailing inflation and the resulting conservative consumer behavior. Both factors harbor risk potential for the operating activities of ABOUT YOU. Purchasing and logistics are particularly affected by this in terms of risk assessment. The continuing disruptions in global supply chains also harbor a certain degree of uncertainty for the Group. In terms of operating risks, the Group sees three risks which, based on their probability and impact, fall under the top risks.

Due to the ongoing inflation, there is a subdued consumer climate and at the same time an increase in purchase prices. For ABOUT YOU, the risk lies in the possibility of not being able to compensate for the higher costs in the procurement of goods. ABOUT YOU mitigates this risk by continuously adapting and optimizing its pricing mechanisms and strategy.

Due to conservative consumer behavior, there is a risk in the industry and therefore also for ABOUT YOU in the development of inventories towards unpredictably high levels. Inventories that do not match current customer demand in a negative sense entail a liquidity risk for the Group. To effectively reduce this cost risk, ABOUT YOU undertakes, among other things, adjustments in the procurement and planning of new goods.

Stagnating demand and the dynamic market environment also require the Group to make flexible adjustments to its storage capacities. If these adjustments are not made effectively, there is a risk of jeopardizing compliance with delivery times or the availability of products. As the Group has been exposed to growth-related disruptions regarding its warehouse capacities in the past but has always been able to offer a positive customer experience, it expects that this risk will be effectively mitigated by its continuous efforts to improve the warehouse network.

Risks from Reporting and Finance

The volatile macroeconomic situation contains a risk potential regarding reporting and finance. As ABOUT YOU's supplier network grows globally, the influence of international markets outside the Eurozone on the business also increases. This can increase the risks associated with the volatility of exchange rates, unless they are effectively mitigated by hedging transactions. Specific financial risks are discussed in more detail in the Section 3.7.1 „Financial Risk Management“.

Risks relating to Compliance and the Regulatory Environment

Key compliance and regulatory risks are driven by changing legal requirements, ABOUT YOU‘s vulnerability to cybercrime, and the Group‘s reliance on big data.

A top risk from the "Compliance and regulatory environment“ area arises from the possible loss of confidential data, which may lead to legal disputes or impairment of customer satisfaction, among other things. This can be triggered by internal (including system errors) or external factors (including Ddos attacks). For this reason, ABOUT YOU has implemented a comprehensive IT security program designed to mitigate the potential risks associated with data breaches. The program consists, among other things, of security audits with external service providers as well as training for ABOUT YOU employees (including security awareness training and phishing training).

1.5.3 Illustration of Opportunities

Opportunities in connection with ABOUT YOU's future development arise from the scaling of the business model on various levels as well as the (cost) optimization of business processes, which strengthens ABOUT YOU as a Group. The opportunities are addressed along the dimensions of the ABOUT YOU growth strategy and are independent from the way risks are classified. The opportunities are presented in descending order of their potential impact on ABOUT YOU.

Market Penetration, Economies of Scale and Potential Global Growth Areas

Positive dynamics may arise in the future in connection with both macroeconomic developments leading to a growing online fashion market and company-specific opportunities resulting from ABOUT YOU‘s current geographic presence.

Even after the shift from offline to online, which was significantly accelerated by the Covid-19 pandemic, the fundamental trend of shifting in favor of the online channel remains. Macroeconomic conditions – particularly in conjunction with the past years under the Covid-19 pandemic – are increasing cost pressure throughout the industry, especially for brick-and-mortar retailers. In this situation, market shakeouts may occur and with the resulting shift in market share, the shift to online may be further substantiated.

Favored by the reduced marketing expenses generally observed in the market, the defense of strong ABOUT YOU market positions in the various countries becomes potentially more favorable for the Group. An additional field of opportunity exists for the Group due to the changing standards in the industry for, among other things, delivery fees. For ABOUT YOU there is both an opportunity with the introduction of its own fees and a further opportunity to differentiate itself from the competition through no fees or lower fees compared to the competition and consequently a higher attractiveness for customers.

At Group level, the new markets recently entered by ABOUT YOU, for example in the Nordic countries, offer further opportunities for growth. The Group is benefiting from the investments made in recent years. ABOUT YOU Global Shipping is still in its early stages, but already offers the opportunity to reach markets outside Continental Europe.

Expansion of the Logistics Network and Deepening of Brand Partnerships

At the core of ABOUT YOU‘s business success are its relationships with specific brands and partners. In the same way, the Group has become an established partner for global fashion brands and strives to efficiently address the core target groups of these brands. In the future, ABOUT YOU will be able to benefit from the expansion of its brand portfolio to include major mass mainstream brands, as well as focused niche brands, and thus achieve higher market penetration. With the expansion of its own logistics network, ABOUT YOU is setting the right course to enable this. The resulting capacities create both the opportunity to further develop the product range and potential for further growing activities in the FbAY model. In addition, the Group is deepening its existing cooperations and its expertise as a reliable online fashion store in order to jointly continue the success stories of the brands and ABOUT YOU alike. The levers for success here are higher revenue in the ABOUT YOU Media business, improved terms and conditions, as well as improved access to exclusive products.

Customer Activation and Retention thanks to ABOUT YOU‘s advanced Technology Platform

ABOUT YOU continues to strive for continuous improvement 28of the customer-friendliness of its technology platform and a consequently more and more exciting shopping experience, e.g., with new discovery offers. As a result, ABOUT YOU expects higher customer activation and frequency, and a further strengthening of customer loyalty. New innovative marketing approaches are an example of how ABOUT YOU can create both an experience for customers and profitability effects 28of the28 Group.

Planet, People, and Progress

At the core of ABOUT YOU‘s responsible corporate governance are the pillars of „Planet, People, and Progress“ and thus another high strategic priority of the Group. From the very beginning, ABOUT YOU‘s goal has been to give people the opportunity to express themselves individually through fashion. ABOUT YOU strives to champion diversity while approaching others with confidence, tolerance and openness. At the same time, the Group‘s priority is to constantly and sustainably improve its impact on „Planet, People, and Progress.“

A clear attitude is important to ABOUT YOU, as doing the right thing creates new opportunities for further positive effects and future growth. ABOUT YOU is one 28of the pioneers in the development of circular merchandise models: The used clothing offering ABOUT YOU Second Love was launched back in 2020 and has since offered one 28of the largest second-hand ranges in Europe. ABOUT YOU sees the opportunity to further expand its growth course in the Second Love segment through new partnerships or its own resale model.

TME Scaling

In addition to the Commerce segment, ABOUT YOU sees additional opportunities in the further expansion of its TME segment. The Group specifically serves the needs of B2B customers and expands its customer base with a professional and highly customizable offering. With its B2B brand SCAYLE, ABOUT YOU aims to further expand its B2B business and support other companies in expanding their D2C business activities. SCAYLE has been able to continue its customer growth in the recent past, winning customers such as the Deichmann Group and Fielmann. In particular, the acquisition of new customers for the fashion brands of the s.Oliver Group, the online fashion retailer DefShop, as well as the soccer club FC Bayern Munich show the establishment of the SCAYLE brand also within the lifestyle segment as a trustworthy partner for the expansion of D2C business activities. In the future, ABOUT YOU will continue to have the opportunity to internationalize its TME segment, especially with regard to the SCAYLE brand. The planned market launch of the payment service provider SCAYLE Payment additionally offers ABOUT YOU the opportunity to further diversify its B2B service offering for the SCAYLE brand.

1.6 Corporate Governance Statement[17]

Since its founding, ABOUT YOU's goal has been to empower people to find and express themselves through fashion, standing up for diversity, tolerance, and self-confidence. This goal also shapes the corporate culture of ABOUT YOU, which is based on diversity, tolerance, and self-confidence. Accordingly, the Management Board and Supervisory Board are jointly committed to responsible and sustainable corporate governance and jointly issue the following corporate governance statement pursuant to Art. 9 (1) lit. C) iii) SE Regulation in conjunction with Sections 289f, 315d of the German Commercial Code (HGB) which is part of the Combined Management Report.

1.6.1 Declaration of Compliance

In July 2022, the Management Board and Supervisory Board issued the following Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), which is also available on the Investor Relations website under Governance:

Pursuant to Section 161 (1) sentence 1 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of ABOUT YOU Holding SE, with its registered office in Hamburg ("ABOUT YOU"), must declare annually that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not.

The last Declaration of Compliance by the Management Board and Supervisory Board of ABOUT YOU was made in August 2021. Since that date, ABOUT YOU has complied with all recommendations of the "Government Commission on the German Corporate Governance Code" as amended on December 16, 2019 ("GCGC 2020") published in the official section of the Federal Gazette on March 20, 2020, except for the declared deviations.

On April 28, 2022, the "Government Commission on the German Corporate Governance Code" presented a new version of the Code, which was published in the official section of the Federal Gazette on June 27, 2022 ("GCGC 2022"). The Management Board and Supervisory Board of ABOUT YOU declare that ABOUT YOU has complied with the recommendations of the GCGC 2022 and will continue to comply with them in the future.

1.6.2 Corporate Governance

The starting point for ABOUT YOU's Corporate Governance are the Statutory Provisions, the Articles of Association, the Rules of Procedure of the Management Board and Supervisory Board, the recommendations 29of the German Corporate Governance Code (GCGC), and internal company guidelines. For ABOUT YOU, responsible and transparent corporate governance is a key prerequisite for corporate management and for sustainably increasing the Company's value. Furthermore, ABOUT YOU's sustainability initiatives are an integral part 29of the company's management in 29order to continuously balance economic and ecological goals. Further information on ABOUT YOU's sustainability initiatives and sustainability strategy can be found in the ESG Report 2022/2023, which also contains the

[17] The content of this paragraph is voluntary and therefore unaudited.

separate Non-Financial Group Report and disclosures in accordance with the EU Taxonomy Regulation and will be available on ABOUT YOU‘s website from May 17, 2023.

Furthermore, the RMS and the ICS are additional components through which ABOUT YOU actively manages and controls its exposure to economic and industry-specific risks. The RMS promotes active risk awareness and transparency regarding risks and makes it possible to identify them at an early stage through a regular and systematic process and to take appropriate (risk) measures. ABOUT YOU has an accounting-related ICS in accordance with Section 315 (4) 30of the German Commercial Code (HGB). In FY 2022/2023, the ICS was expanded to include the non-accounting-related aspects of ESG and IT security, along the COSO. With the ICS, ABOUT YOU pursues the goal of identifying, assessing, and managing operational risks that can have a key influence on the appropriateness 30of the content and presentation 30of the consolidated financial statements, management reporting and the annual report. The RMS and ICS are dynamic systems that are continuously adapted 30to the business model, the nature and handling of business transactions or responsibilities, and are subject to ongoing development. Further information on the RMS and ICS can be found in the Risk and Opportunity Report in Section 2.5.1.

The ABOUT YOU Business Code of Ethics and Business Code of Conduct are also available on the Investor Relations website under Governance.

The Business Code of Ethics describes the way ABOUT YOU works as a company and addresses self-imposed ethical standards to all ABOUT YOU employees. The Business Code of Ethics forms the basis for all internal company guidelines and represents the basis for the actions of all ABOUT YOU employees. In terms of content, the Business Code of Ethics states that all employees are required to comply with the relevant legal provisions as well as with ABOUT YOU‘s internal corporate guidelines, which are based on ABOUT YOU‘s core values and contain topics relating to the integrity of the way in which business relationships are conducted, the mutual treatment of employees, the treatment of third-party information and data, and responsible conduct. These core values are substantiated thematically with measures to combat corruption, standards for compliance with data protection regulations 30for the protection of personal data, and compliance with insider trading regulations.

The Business Code of Conduct defines – based on the amfori BSCI Code of Conduct – minimum standards for business partners who produce and/or supply goods or services on behalf of ABOUT YOU and must be recognized by the business partners. The aim of the Business Code of Conduct is to promote an ethical and ecological value chain in which employees can work safely, are financially secure and comply with certain environmental standards. In addition, ABOUT YOU screens against existing sanctions lists and the compliance database for certain groups of business partners and/or in cases where there are indications of potential compliance risks. In addition to adhering of the Business Code of Conduct, ABOUT YOU‘s business partners are expected to comply with applicable national and international regulations in order to reduce compliance risks.

Furthermore, ABOUT YOU has implemented a CMS based on the auditing standard IDW PS 980. The aim of the CMS is to monitor, control and document compliance with legal provisions, internal company guidelines and standards of ethical business management. Components of the CMS are a policy management system, a whistleblower system through which employees, business partners and third parties can actively participate openly or anonymously through various channels to report concerns and/or compliance violations (including any investigations), business partner screenings and compliance-related training.

ABOUT YOU has also created the so-called Culture Booklet, an internal document that explains why ABOUT YOU was founded and what its mission is. In addition, this booklet outlines all relevant aspects of the Company's culture. It is given to all employees 31as part of the onboarding package. Employees must also confirm that they have read and understood the Business Code of Conduct and the Business Code of Ethics. ABOUT YOU also 31plans establish its own internal audit department in the medium term. Currently, an external service provider was mandated with the tasks of internal auditing and, in a coordinated auditing plan, audits business processes, including IT solutions according to its own risk assessment and makes recommendations for improving the effectiveness and efficiency of controls.

1.6.3 Composition and Functioning of the Management Board and Supervisory Board

ABOUT YOU has the legal form of a European Company (Societas Europaea, SE) with a dualistic management system, consisting of a Management Board, which manages the company on its own responsibility, and a Supervisory Board, which supervises the management. Both bodies work closely together for the benefit of ABOUT YOU.

Composition and Working Methods of the Management Board

The Management Board of ABOUT YOU consists of three members. The Management Board members are Hannes Wiese, Tarek Müller, and Sebastian Betz, who jointly manage the company as Co-CEOs under their own responsibility. The current appointment of the Management Board members runs until April 15, 2025. By June 1, 2026, the Supervisory Board has also set a target that the proportion of women on the Management Board should be at least ¼ and that the Management Board should include at least one woman. There is currently no plan to change the composition of the Management Board, so the target to be met by June 1, 2026, was not implemented in the past financial year.

The actions of the Management Board are guided by the interests of the company and the sustainable growth of ABOUT YOU. This also includes the development of business policy and corporate strategy and ensuring their implementation in day-to-day business, applying the diligence of a prudent and conscientious business manager.

In developing the corporate strategy and growth planning, the Management Board works together with the Supervisory Board in a spirit of trust for Company's benefit. The cooperation and responsibilities of the Management Board members have been defined by the Supervisory Board in the Rules of Procedure. These stipulate that the Management Board members are jointly responsible for the management of the Company, irrespective of the allocation of responsibilities, and that they work together as colleagues and keep each other informed on an ongoing basis of important transactions and developments in their areas of responsibility. The departmental responsibilities of the Management Board members are governed by the schedule of responsibilities adopted by the Supervisory Board in connection with the Rules of Procedure. Sebastian Betz is responsible for Tech & Product, Tarek Müller for Marketing & Brand, and Hannes Wiese for Operations & Finance. The Management Board informs the Supervisory Board regularly, promptly, and comprehensively about all business developments, especially regarding corporate strategy, corporate planning, the risk situation, risk, and opportunity management, as well as compliance and ICS.

In addition, the Management Board maintains regular contact with the Supervisory Board's Chariman and the Audit Committee's Chairwoman between Supervisory Board and Committee meetings and informs them about the course of business, the situation of the company and discusses strategy, planning, and business development as well as RMS. The Management Board is responsible for informing the Supervisory Board's Chariman and the Audit Committee's Chairwoman of any events or business matters that may significantly affect the evaluation of ABOUT YOU's current situation, its development, and the overall management of the company.

As a rule, only people who are not older than 67 years at the end of their term of office should be appointed as Management Board members; exceptions in justified individual cases are possible. In accordance with Recommendation B.2 DCGK, the Supervisory Board shall cooperate with the Management Board with regard to the composition of the Management Board to ensure long-term succession planning. The Management Board regularly reports to the Supervisory Board on succession planning and ensures that the upper management levels are filled with employees who are suitable for a Management Board position and can be developed accordingly.

There were no Management Board committees in the reporting period. However, the Management Board 32has set up an Ad-hoc committee to deal with issues relating to the publication of information relevant 32to the financial markets. The permanent members of this committee are Management Board member Hannes Wiese and one representative each from Investor Relations, Legal & Compliance, Corporate Office and Finance. The Ad-hoc Committee supports the Management Board in an advisory capacity in complying with the ad-hoc disclosure requirements pursuant to Art. 17 of Regulation (EU) 596/2014 (Market Abuse Regulation – MAR).

Further information on the Management Board members and the Remuneration Report are available on the Investor Relations website under Governance.

Composition and Working Methods of the Supervisory Board

The Supervisory Board regularly advises and monitors the Management Board's management of the Company. It works closely and in a spirit of trust with the Management Board for the good of the company and is involved at an early stage in decisions of fundamental importance. ABOUT YOU's Supervisory Board consists of six members, all of whom are shareholder representatives. Supervisory Board members are Sebastian Klauke (Chairman of the Supervisory Board), Niels Jacobsen[18] (Deputy Chairman of the Supervisory Board), Christina Johansson[19] (Chairwoman of the Audit Committee), Petra Scharner-Wolff, Christian Leybold[20] and André Schwämmlein[21]. The regular term of office of the Supervisory Board members runs until the end of the Annual General Meeting in 2026. There are currently no plans to change the composition of the Supervisory Board. Until June 1, 2026, the Supervisory Board also has the target that the proportion of women should be at least 1/3 and that the Supervisory Board should therefore include at least two women. At present, this target has been met.

[18] Independent member of the Supervisory Board
[19] Independent member of the Supervisory Board
[20] Independent member of the Supervisory Board
[21] Independent member of the Supervisory Board

The Supervisory Board's members are selected in a way that ensures that, collectively, they possess the required knowledge, skills, and professional experience to fulfill the duties of the board for a capital market-oriented, internationally active company that operates online stores for fashion products and other goods, as well as other e-commerce activities. Based on the Group's business operations and recommendations of the GCGC, the Supervisory Board believes that the following experience and knowledge are key: (i) management of an internationally active company, (ii) trading in fashion products as well as e-commerce, (iii) in key markets in which the Group operates, (iv) in the areas of financial and capital markets, (v) in accounting and financial reporting, (vi) in controlling, risk management and internal auditing, (vii) in the area of governance and compliance, (viii) sustainability in the area of trading in fashion products and e-commerce[22]. Overall, the Supervisory Board strives to ensure that ABOUT YOU's specific needs are considered and that the Management Board is advised and monitored in a competent and qualified manner. Each Supervisory Board member has the professional experience and skills to properly perform their duties. In addition, all members of the Supervisory Board are familiar with the sector in which ABOUT YOU operates. Furthermore, each member ensures that they have sufficient time to perform their duties. In the composition of the Supervisory Board, the latter also ensures that, in accordance with the competence profile, different professional and international experience is taken into account and that the gender target figures and the general requirements for individual Supervisory Board members are achieved. Further details are available in the Supervisory Board's competency profile and in its Rules of Procedure via the Investor Relations website under Governance.

According to Recommendation C.7 DCGK, more than half of the shareholder representatives on the Supervisory Board should be independent of the Company and the Management Board; all Supervisory Board members of ABOUT YOU meet this requirement. According to Recommendation C.9 DCGK, if the Company has a controlling shareholder, in the case of a Supervisory Board with six or fewer members, it should have at least one member who is independent of the controlling shareholder. In accordance with this recommendation, four Supervisory Board representatives of ABOUT YOU are independent of the controlling shareholder, Otto (GmbH & Co. KG)~~.~~

In accordance with Recommendation C.1 DCGK, the following qualification matrix in shows the competence profile and provides information on what the Supervisory Board considers 33to be an appropriate number of independent shareholder representatives and the names of these members.

[22] The Supervisory Board has already implemented this requirement with the entry into force of the new version of the GCGC in July 2022 and will include this in its competence profile, which is available on the Investor Relations website under the Governance section, in the short term.

[Table]: Qualification matrix of the Supervisory Board

			Competence profile								
Name	**State-nationality nationality**	**Function**	Manage-ment	Industry knowledge	Market knowledge	Financial and capital markets	Accounting / Invoicing laying	Controlling, RMS, and internal audit	Governance/ Compliance	Sustainability	Independence
Sebastian Klauke	German	Managing Director at Otto (GmbH & Co. KG)	✓		✓						
Niels Jacobsen	Danish	CEO at William Demant Invest A/S			✓	✓	✓			✓	✓
Petra Scharner-Wolff	German	Business Managing Director at Otto (GmbH & Co. KG)	✓	✓	✓			✓			
Christina Johansson	Swiss-ish / Swedish	CFO at Dormakaba Holding AG	✓					✓	✓		✓
Christian Leybold	German	Managing Partner at Headline	✓								✓
André Schwämmlein	German	Founder and CEO at Flix SE	✓		✓	✓					

Furthermore, Recommendation C.12 DCGK states that members of the Supervisory Board shall not exercise any executive or advisory functions for key competitors, nor shall they have any personal relationship with a key competitor. All members of the Supervisory Board meet this requirement.

In accordance with Recommendation E.1 DCGK and the provisions of the Rules of Procedure of the Supervisory Board, conflicts of interest must be disclosed without delay to the Chairman of the Supervisory Board or, in the case of the Chairman of the Supervisory Board, to the Deputy Chairman of the Supervisory Board. Permanent and key conflicts of interest shall lead to termination of the mandate. No conflicts of interest had to be disclosed in the past financial year.

In accordance with Recommendation C.2 DCGK, the Supervisory Board has set itself an age limit in the Rules of Procedure according to which, as a rule, only persons who are not older than 70 at the beginning of their term of office should be proposed for election as Supervisory Board members; justified exceptions are permitted in individual cases. All members 34of the Supervisory Board comply with the age limit.

In accordance with Recommendation D.12 GCGC, the Supervisory Board also assesses the effectiveness of the performance of its duties and those of the committees on an annual basis. In the past financial year, the Supervisory Board and its committees discussed their activities with a focus on the tasks assigned to them, the delegation of tasks and preparatory work for committee activities, and the frequency of meetings and quality of information provided by the Management Board. The skills and competencies of each member of the Supervisory Board and its committees were also evaluated with respect to ABOUT YOU's business requirements. No significant objections were identified.

The Supervisory Board has formed two standing committees from among its members: an Audit Committee and a Presidential and Nomination Committee. The Audit Committee consists of Christina Johansson (Audit Committee Chair), Sebastian Klauke (Supervisory Board Chair), Niels Jacobsen (Supervisory Board Vice Chair). and Petra Scharner-Wolff. Under Art. 100 par. 5 AktG, at least one Supervisory Board member must have expertise in accounting and at least one other Supervisory Board member must have expertise in auditing. With Christina Johansson and Petra Scharner-Wolff, the Audit Committee has at least two members having the expertise in both of the aforementioned areas and therefore fulfilling the D.3 GCGC recommendation. The Audit Committee is responsible for reviewing and monitoring the accounting process, the effectiveness of the ICS, the RMS, internal auditing, the CMS, and the audit of the financial statements. In addition, the Audit Committee prepares the resolutions of the Supervisory Board in connection with the (intra-year) financial reporting and the non-financial reports, and the proposal for the election 35of the auditor for the Annual General Meeting, including the selection and independence of the auditor and the implementation of a required selection procedure in accordance with the EU Regulation on Statutory Auditors.

The Presidential and Nomination Committee consists of Sebastian Klauke (Chairman of the Presidential and Nomination Committee), Niels Jacobsen (Vice Chairman of the Supervisory Board) and Christian Leybold. The Presidential and Nomination Committee main tasks are to nominate suitable candidates for the Supervisory Board and to prepare the Supervisory Board's proposals to the Annual General Meeting on the election of Supervisory Board members, the selection, appointment, dismissal and remuneration of the Management Board members, and the conclusion, amendment or termination of their service contracts.

The Supervisory Board report in section 1.3 provides further details on the activities of both committees and the Supervisory Board for FY 2022/2023. In addition, the curricula vitae of the Supervisory Board members, the Rules of Procedure of the Supervisory Board, its competency profile and the remuneration report are available on the Investor Relations website under Governance.

1.6.4 Target of Women Representation on the Supervisory Board, the Management Board, and on Management Levels below the Management Board According to Sections 76 (4), 111 (5) AktG

ABOUT YOU believes that diversity in all respects and across all organizational levels is the key to success. ABOUT YOU generally strives for a balanced gender representation. The focus rely on the composition of the Supervisory Board, the Management Board, and the three levels below the Management Board. In accordance with Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board has set targets for the proportion of women on the Supervisory Board and Management Board; details are provided in Section 2.6.3.

In addition, the Management Board has set targets for the three levels below the Management Board beyond the requirements of Section 76 (4) of the German Stock Corporation Act (AktG). For the first three levels below the Management Board, ABOUT YOU has defined the target of achieving a balanced gender representation of 40/60/* by June 1, 2026, where women and men are represented within a range of 40-60%. With the *, ABOUT YOU explicitly recognizes and includes non-binary gender identities. At the end of FY 2022/2023, the proportion of women in the management levels is 51.1%. In the three levels below the Management Board, this figure is between 37.7% and 60.7%:

- First level below Management Board: 37.7%.

- Second level below the Management Board: 53.7%.

- Third level below Management Board: 60.7%.

Further details of what ABOUT YOU is doing to meet gender balance within the Group can be found in the ESG Report 2022/2023, which also includes the separate Non-Financial Group

Report and EU taxonomy disclosures and will be available on ABOUT YOU's website from May 17, 2023.

1.6.5 Remuneration Report and Remuneration System

The Remuneration Report for FY 2022/2023 and the Auditor's Report on the audit in accordance with section 162 of the German Stock Corporation Act (AktG) have been published separately and will be available on the Investor Relations website under Governance from May 11, 2023. The Remuneration Report 2022/2023 will be submitted to the Annual General Meeting 2023 for approval.

The Remuneration System for Members of the Management Board and Supervisory Board drawn up by the Supervisory Board on the recommendation of the Presidential and Nomination Committee was approved by the Annual General Meeting on August 23, 2022, and is available on the Investor Relations website under Governance.

1.7 Outlook

All forecasts and expectations are subject to a significant degree of uncertainty, as it is difficult to predict the development of macroeconomic events, including the war in Ukraine, the implementation of monetary policy measures, as well as the further level of inflation and the impact on consumer sentiment. During FY 2023/2024, ABOUT YOU will therefore continuously monitor developments in economic and industry conditions to respond quickly and comprehensively to potential changes.

1.7.1 Future Overall Economic and Industry-Specific Situation

Based on the weakening macroeconomic environment in 2022, the IMF expects global economic growth to slow further to 2.9% in 2023 (2022: 3.4%).[23] The IMF assumes that the increase in key interest rates to combat inflation and the war in Ukraine will continue to weigh on the economic development. A more pronounced economic slowdown is expected for major economies in Europe, with the probability of a recession having increased in these countries.

For the euro zone, the IMF expects economic growth to slow to 0.7% (2022: 3.5%). The estimate reflects the impact of rapid interest rate hikes by the European Central Bank and declining real incomes. In addition, the impact of the war in Ukraine is also expected to continue to weigh on the economic development through high energy prices and low consumer sentiment.

The global apparel industry is likely to continue to suffer from the effects of geopolitical and macroeconomic uncertainties as well as high inflation and weak consumer sentiment in 2023. Accordingly, Business of Fashion and the consultancy McKinsey & Company expect growth in the global apparel market (excluding the luxury segment) to develop in a range of -2% to +3%.[24] Against the backdrop of persistently high inflation and energy costs, the apparel market in Europe is expected to develop weaker and only within a range of -4% to +1%.

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[23] IMF (Januar 2023) World Economic Outlook
[24] Business of Fashion and McKinsey & Company, The State of Fashion 2023

1.7.2 Guidance

ABOUT YOU aims to achieve sustained revenue growth and to reach adjusted EBITDA break-even in FY 2023/2024. The Management Board pursues this goal by increasing the gross margin while reducing marketing costs as well as fulfillment and administrative cost-to-revenue ratios.

For FY 2023/2024, ABOUT YOU expects moderate YoY revenue growth, to significantly improve its adjusted EBITDA, and to reach break-even. In view of the expected positive revenue development and the improvement in adjusted EBITDA, the Group‘s adjusted EBITDA margin is also expected to improve significantly in FY 2023/2024.

The segments are expected to remain at different levels of maturity, which will also be reflected in different growth and profitability patterns.

- In DACH, revenue is expected to grow slightly in FY 2022/2024, leading to a slowdown in revenue growth rates compared to 2022/2023. In this context, ABOUT YOU should grow more stronglystronger in the DACH segment than the apparel market in Europe as a whole and benefit from the sustained shift from offline to online offerings. In terms of profitability, the adjusted EBITDA margin is expected to improve slightly compared to FY 2022/2023, hence a slight improvement in adjusted EBITDA in absolute terms is expected.
- RoE is expected to show moderate revenue growth, although this should be lower than the growth rate in 2022/2023 due to a higher basis for comparison. The segment is still in the scaling phase, particularly in the recently launched markets in Southern Europe and the Nordics. Consequently, the segment will not yet be profitable at adjusted EBITDA level in FY 2023/2024. The adjusted EBITDA loss in absolute terms in FY 2023/2024 is expected to be significantly lower compared to FY 2022/2023. As a result, the adjusted EBITDA margin is expected to improve significantly compared to FY 2022/2023.
- TME revenue is expected to continue to increase moderately, but revenue growth rates are forecast to decline slightly compared to FY 2022/2023. The adjusted EBITDA margin is expected to improve moderately from the already high baseline, which is why adjusted EBITDA is also anticipated to increase moderately in absolute terms compared to FY 2022/2023.

1.8 Supplementary Management Report to the Separate Financial Statements of ABOUT YOU Holding SE

Business activity

ABOUT YOU assumes the function of the holding company within the Group. The key function of ABOUT YOU is the holding and management of financial assets, which reflects the operating business of the Group and is determined by the key performance indicators of the Group as a whole. Therefore, ABOUT YOU's key performance indicator's is the income from investments, including possible effects from write-downs on financial assets, which reflects the valuation of financial assets.

Furthermore, ABOUT YOU provides administrative and management services to the other subsidiaries in the Group.

ABOUT YOU is represented by the Management Board, which defines the Group's overarching strategy.

The annual financial statements of ABOUT YOU are prepared in accordance with the German Commercial Code (HGB). The Consolidated Financial Statements are prepared in accordance with IFRS, as applicable in the EU. The application of different accounting standards results in differences in the accounting and valuation methods to be applied. The differences mainly relate to deferred taxes.

Assets, Liabilities, Financial Position, and Financial Performance of ABOUT YOU Holding SE

The net assets, financial position, and results of operations of ABOUT YOU Holding SE developed as follows in FY 2022/2023 in accordance with the German Commercial Code (HGB):

Balance sheet of ABOUT YOU Holding SE according to HGB as of February 28, 2023

Assets

in EUR million	**28/02/2023**	28/02/2022
A. Fixed assets	**1,164.5**	**1,164.5**
I. Financial assets	1,164.5	1,164.5
Shares in affiliated companies	1,164.5	1,164.5
B. Current assets	**353.9**	**342.7**
I. Receivables and other assets	338.5	1.5
1. receivables from related parties	337.9	1.0
2. other assets	0.6	0.5
II. Cash balances with credit institutions	15.4	341.2
Balance sheet total	**1,518.4**	**1,507.2**

Equity and liabilities

in EUR million	**28/02/2023**	28/02/2022
A. Equity	1,514.2	1,488.4
I. Subscribed capital	186.2	186.2
Own shares	(13.7)	(15.8)
II. capital reserve	951.4	926.2
III. retained earnings	434.9	434.9
Other retained earnings	434.9	434.9
IV. Accumulated loss	(44.6)	(43.1)
B. Provisions	0.3	15.1
Other provisions	0.3	15.1
C. Liabilities	2.4	2.2
1. Trade accounts payable	0.7	0.1
2. Liabilities to affiliated companies Company	1.4	2.1
3. Other liabilities	0.3	0.0
D. Deferred tax liabilities	1.5	1.5
Balance sheet total	1,518.4	1,507.2

Income Statement of ABOUT YOU Holding SE in accordance with the German Commercial Code (HGB)
from March 1, 2022, to February 28, 2023

in EUR million	**2022/2023**	2021/2022
1. Revenue	17,7	0,9
2. Other operating income	0,1	1,4
3. Cost of materials	(0,1)	0,0
Expenses for purchased services	(0,1)	0,0
4. Personnel expenses	(18,9)	(16,8)
a) Wages and salaries	(18,0)	(16,6)
b) Social security contributions	(0,9)	(0,2)
5. Other operating expenses	(5,6)	(29,5)
6. Interest and similar income	5,5	0,3
7. Interest and similar expenses	(0,2)	(1,3)
8. Taxes on income and earnings	0,0	2,0
9. Earnings after taxes	(1,5)	(43,1)
10. Net loss for the period	(1,5)	(43,1)
11. Loss carried forward (previous year: profit carried forward)	(43,1)	434,9
12. Transfer to revenue reserves	0,0	(434,9)
13. Accumulated loss	(44,6)	(43,1)

Financial assets are unchanged YoY. Bank balances decreased by EUR 325.8 million due to the issue of loans to affiliated companies. In the opposite direction, receivables from affiliated companies increased accordingly by EUR 335.9 million.

Equity increased by YoY 24.8 million. On the one hand, the increase resulted from the new programs added in the financial year as explained in section 3.3 (6.) of the notes. On the other hand, the increase resulted from the expense for share-based remuneration, which was presented in other provisions in the previous year and reclassified to additional paid-in capital as of February 28, 2023. In the previous year, other provisions were recognized because it was not clear at the balance sheet date whether these share-based payments would be settled by the granting of shares. As the first-time settlement of the share-based remuneration in the financial year was carried out by means of treasury shares, the remaining provision of EUR 14.1 million has been reclassified accordingly to additional paid-in capital. In the opposite direction, other provisions decreased by EUR 14.8 million.

The income statement shows a sharp increase in revenue of EUR 16.7 million, which resulted from the transfer of personnel expenses within the Group. In addition to the first-time charging of share-based remuneration in the financial year, this is due to the transfer of administrative departments from ABOUT YOU SE & Co. KG to ABOUT YOU Holding SE within the Group.

Personnel expenses included EUR 12.4 million in expenses from share-based remuneration (2021/2022: EUR 14.8 million).

Other operating expenses decreased by EUR 23.9 million compared with the previous year, primarily due to the costs of the listing included in the previous year.

Net interest income improved by EUR 5.3 million due to the loans issued to affiliated companies and the resulting interest income.

Guidance for ABOUT YOU

ABOUT YOU was able to essentially fulfill the previous year‘s guidance with regard of the constant further development of the net assets, financial position, and results of operations as well as the recoverability of the financial assets. ABOUT YOU’s planning for FY 2023/2024 continues to assume a constant further development of the net assets, financial position, and results of operations. Due to the planned positive developments of the subsidiaries, the financial assets are not expected to be subject to any impairment, which should also not change the investment result.

1.9 Disclosures required by Takeover Law pursuant to Sections 289a (1), 315a (1) German Commercial Code (HGB) and Explanatory Report

The disclosures required under Section 289a sentence 1 and Section 315a sentence 1 of the German Commercial Code (HGB) are presented and explained below:

1.9.1 Composition of the Registered Share Capital

The registered share capital of ABOUT YOU as of February 28, 2023, amounts to EUR 186,153,487 and is divided into 186,153,487 bearer shares with no-par value. Each Company share has an arithmetical share in the share capital of EUR 1.00. All shares carry the same rights and obligations. Each share grants one vote at the Annual General Meeting and is decisive for the shareholder's share in the Company's profits. The rights and obligations of shareholders are set out in detail in the provision' of the German Stock Corporation Act (AktG), in particular Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act (AktG).

1.9.2 Restrictions on Voting Rights and Transfer of Shares

At the end of the financial year, the Company held 13,719,858 treasury shares (previous year: 15,758,072) from which no rights (in particular no voting rights) derive pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared to February 28, 2022, the number of treasury shares has been reduced by such a number that es equal to the number of exercised virtual stock options amounting to 2,038,214 no-par value shares as part of share-based payments.

In general, the voting rights of the shares concerned are excluded by law in cases covered by Section 136 of the German Stock Corporation Act (AktG).

In addition, to the knowledge of the Management Board, the following agreements exist or existed as of February 28, 2023, which may be considered restrictions within the meaning of Sections 289a sentence 1 no. 2, 315a sentence 1 no. 2 HGB:

Voting Pool Agreement between Otto and GFH

The shareholders Otto and GFH Gesellschaft für Handelsbeteiligungen m.b.H. ("GFH") are parties to a pool agreement dated March 23, 2021 ("Pool Agreement"). In the Pool Agreement, Otto and GFH have undertaken to exercise the voting rights from the shares they hold in ABOUT YOU uniformly in accordance with the agreement between them. The Pool Agreement covers all shares with voting rights in ABOUT YOU currently and in the future held by the aforementioned shareholders and the companies dependent on them in each case within the meaning of Section 17 of the German Stock Corporation Act (AktG), as well as those shares currently or in the future held by third parties on the basis of trust agreements or similar arrangements for the aforementioned shareholders.

Pursuant to the Pool Agreement, before transferring or entering an obligation to transfer any shares covered by the Pool Agreement to a third party not being a party to the Pool Agreement, GFH must offer the relevant shares to Otto. This right of first refusal does not apply to sales via the stock exchange or as part of a block trade in an amount of up to EUR 25 million and up to 0.4% of the issued shares of ABOUT YOU.

Shareholders’ Agreement between Otto and Heartland A/S

Pursuant to a shareholders’ agreement between the shareholder Otto and Heartland A/S (the parent company of the shareholder Aktieselskabet af 12.6.2018 – “Heartland”) dated February 22/26, 2021 (as amended on March 29, 2021) (”Shareholders’ Agreement”), the aforementioned shareholders have, *inter alia* undertaken to exercise their voting rights (including voting rights held by third parties who have pooled their interests with one of the parties to the Shareholders’ Agreement) in favor of the intended governance structure of ABOUT YOU as set out below and, of other certain matters set forth in the Shareholders’ Agreement. A general pooling of voting rights has not been agreed between Otto and Heartland.

The Shareholders’ Agreement stipulates that ABOUT YOU shall have a Supervisory Board with six members, all of whom shall be elected by the Annual General Meeting. According to the Shareholders’ Agreement, Otto has the right to nominate and demand the dismissal of up to three members of the Supervisory Board, no more than two of whom may be executives or employees of Otto.[25] This right exists as long as Otto controls, including through affiliates or pooling agreements, at least 40% of ABOUT YOU’s share capital (excluding treasury shares held by ABOUT YOU). For Heartland, the Shareholders’ Agreement provides for the right to nominate and request the dismissal of one member of the Supervisory Board.[26] The remaining two other members of the Supervisory Board shall be independent and shall be determined by mutual agreement between the parties to the Shareholders’ Agreement. Otto may also request the dismissal of one of the independent members at any time, unless after this dismissal the Supervisory Board would no longer include any independent member. The parties to the Shareholders’ Agreement would welcome (i) a member nominated by Otto to be elected chairperson of the Supervisory Board, (ii) the member nominated by Heartland to be elected deputy chairperson of the Supervisory Board and (iii) one of each of the members nominated by the contracting parties to become a member of the Audit Committee and the Presidential and Nomination Committee.

The parties to the Shareholders' Agreement also aim to ensure that the chairperson of the Supervisory Board (but not the deputy chairperson) has a casting vote in the event of a tie and that an amendment to the rules of procedure of the Supervisory Board requires a unanimous decision by the Supervisory Board. In addition, qualified majority requirements required by law and stipulated in the Articles of Association of ABOUT YOU may not be reduced.

With respect to capital authorizations, the Shareholders’ Agreement provides that Otto and Heartland will vote in favor of the renewal of existing authorizations, e.g., authorized capital as well as the authorization to issue convertible/option bonds and the underlying conditional capital. Any utilization of authorized capital excluding the pre-emptive rights of the remaining shareholders against contribution in kind by a shareholder holding more than 25% of the share capital of ABOUT YOU (excluding treasury shares held by ABOUT YOU) shall require the approval of 75% within the Supervisory Board, i.e., five out of six members.

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[25] Currently, Sebastian Klauke and Petra Scharner-Wolff have each been nominated by Otto. In addition to their Supervisory Board activities at ABOUT YOU, they have an executive function at Otto (GmbH & Co KG). They are considered dependent within the meaning of the GCGC. In addition, Otto has nominated Christian Leybold as a member of the Supervisory Board, who is, however, independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto within the meaning of the GCGC.

[26] Currently, Niels Jacobsen has been nominated by Heartland. He is independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto – as well as of Heartland – within the meaning of the GCGC.

Lock-up Obligations in Connection with the Private Placement

As part of the private placement of the Company's shares, the shareholders Otto and GFH have undertaken not to directly or indirectly sell or otherwise dispose of shares held by them at the time of the conclusion of the underwriting agreement or to offer them for purchase to third parties without the prior written consent of the underwriters ("lock-up"). The Lock-up expired at the end of March 5, 2022.

The shares held by the members of the Management Board (indirectly via their respective investment vehicles, i.e. Ohana Group Hamburg GmbH[27], Sebastian Betz Beteiligungsgesellschaft mbH, and Hannes Wiese Beteiligungsgesellschaft mbH), which are neither vesting shares (as defined and described below) nor shares sold in the course of the private placement, are subject to a staggered lock-up obligation towards the Company, according to which 50% of these shares could not be transferred or otherwise disposed of for one year after the private place (i.e., calculated from June 16, 2021). This part of the lock-up expired at the end of June 15, 2022. The other 50% of the shares may not be transferred or otherwise disposed of for two years after the private placement (i.e., calculated from June 16, 2021).

Re-Vesting Scheme / Further Lock-up for Investment Vehicles of Management Board Members

In connection with the private placement, ABOUT YOU and each Management Board member and their respective investment vehicles entered into a re-vesting agreement on June 4, 2021, pursuant to which a portion of the Company's shares held by the respective investment vehicles of the Management Board members (i.e. Ohana Group Hamburg GmbH, Sebastian Betz Beteiligungsgesellschaft mbH, and Hannes Wiese Beteiligungsgesellschaft mbH) at the time of the private placement are subject to a re-vesting scheme ("Re-Vesting Agreement"). This means that the shares covered by the Re-Vesting Agreement grant full shareholder rights, but the Company may request a transfer of these shares to the Company free of charge via a call option ("Call Option") if a leaver event occurs or the performance targets defined under the Long-Term Incentive Plan 2021 are not achieved. The number of shares subject to this Call Option decreases at the end of each financial quarter until the vesting period expires in full at the end of April 15, 2025, provided that the Management Board member concerned has not left the Company (leaver event) prior to the end of the respective quarter ("Time Vesting"). A distinction is made between good leavers and bad leaver events. In the case of a good leaver event, the shares that have vested pursuant to the Time Vesting arrangement are no longer subject to the Company's Call Option (subject to the Performance Vesting described below). In case of a bad leaver event, all shares that were covered by the Call Option at the time of the conclusion of the Re-Vesting Agreement are subject to the Call Option, irrespective of Time Vesting.

In addition to Time Vesting, the vesting of a portion of the shares subject to the Call Option is conditional upon the achievement of predefined performance targets within certain time periods ("Performance Vesting"). These performance targets consist of the average annual growth (CAGR) of sales, the development of the adjusted EBITDA of ABOUT YOU and various sustainability-related ("ESG") criteria. The definition of the leaver event, the differentiation between bad leavers and good leavers and the performance targets for Performance Vesting largely correspond to the regulations of the Long-Term Incentive Plan 2021 (LTIP 2021).

[27] Previously: Tarek Müller Beteiligungsgesellschaft mbH

Further details can be found in the Compensation Report on the Investor Relations website under Governance.

The shares held by the investment vehicles of the Management Board members that are subject to the Call Option may not be sold or otherwise disposed of by them (lock-up). Pursuant to the Re-Vesting Agreement, any Company shares held by the respective investment vehicles of the Management Board members at the time of the private placement that are neither covered by the Call Option (as explained above) nor were sold in the private placement are also subject to a staggered lock-up obligation vis-à-vis the Company as described above.

Trading Bans (Closed Periods)

Furthermore, in accordance with Article 19 (11) Regulation (EU) No 596/2014 (Market Abuse Regulation – MAR) and on the basis of internal guidelines and Company agreements, members of executive bodies and employees are subject to certain trading prohibitions when buying and selling ABOUT YOU shares within closed periods that commence 30 days prior to the publication of quarterly, half-yearly and full-year financial results and end with the corresponding publication of the financial results.

1.9.3 Shareholdings in the Capital Exceeding 10% of the Voting Rights

As of February 28, 2023, Michael Otto Stiftung and Dr Michael Otto, Anders Holch Povlsen, and Benjamin Otto indirectly held 64.74% of the shares in ABOUT YOU.

This information is based on the notifications pursuant to Sections 33 et seq. German Securities Trading Act (WpHG), which ABOUT YOU has received and published. Voting rights notifications published by ABOUT YOU are made available in the Notes and on the Investor Relations website under News – Voting Rights Notifications.

1.9.4 Statutory Provisions and Provisions of the Articles of Association on the Appointment and Dismissal of Members of the Management Board and on Amendments to the Articles of Association

The Supervisory Board appoints the members of the Management Board based on Article 9 (1), Article 39 (2) and Article 46 SE Regulation and Sections 84, 85 of the German Stock Corporation Act (AktG) and Article 7 (2) of the Articles of Association for a maximum term of six years. Reappointments are permissible. The Supervisory Board is entitled to revoke the appointment of a Management Board member for good cause. According to Article 7 (1) of the Articles of Association, the Management Board consists of one or more persons. The number of Management Board members is determined by the Supervisory Board.

Amendments to the Articles of Association must be resolved by the Annual General Meeting. Pursuant to Article 59 (1) SE-Regulation and Section 179 (2) of the German Stock Corporation Act (AktG), resolutions on amendments to the Articles of Association require a majority of at least three quarters of the votes cast and the share capital represented at the Annual General Meeting adopting the resolution. Amendments to the Articles of Association are otherwise governed by Sections 179, 181, 133, 119 (1) no. 5 of the German Stock Corporation Act (AktG). In addition, there are numerous other provisions of the German Stock Corporation Act (AktG) that might apply to, modify or overrule provisions in the Articles of Association, e.g., Sections 182 et seq. of the German Stock Corporation Act (AktG) in case of capital increases, Sections 222 et seq. of the German Stock Corporation Act (AktG) in case of capital reductions and Section 262 of the German Stock Corporation Act (AktG) in case of the dissolution of the Company.

Pursuant to Article 12 of the Articles of Association, the Supervisory Board is authorized to adopt amendments to the Articles of Association that only affect their wording.

1.9.5 Powers of the Management Board to Issue or Repurchase Shares

Authorized Capital 2021

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind ("Authorized Capital 2021"). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part in certain cases specified in Article 4 (4) of the Articles of Association. In simplified terms, this is possible in the following cases:

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,
- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or
- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue.

Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association.

Conditional Capital 2021/I

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to 3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until 31 July 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on 31 May 2021. The conditional capital increase will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

Powers to Issue Convertible Bonds or Bonds with Warrants / Conditional Capital 2021/II

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the "Bonds") in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to EUR 75,480,000 of the Company's registered share capital.

The Bonds may also be issued by a domestic or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),

- to exclude fractional amounts from the shareholders' pre-emptive rights,

- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or

- insofar as Bonds are issued against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude pre-emptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfilment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers to Acquire Treasury Shares

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

- to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;
- for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies

or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);

- for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;
- to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or
- in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). For this purpose, the Company is authorized to:

- sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);
- purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and
- enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days

between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases)

Treasury shares may be acquired using put options, call options, forward purchases (together “Derivatives”) and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company’s share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

2. Annual financial statements

2.1 Balance Sheet

Balance Sheet of ABOUT YOU Holding SE
as of February 28, 2023

Assets

in EUR million	**28/02/2023**	28/02/2022
A. Fixed assets	1,164.5	1,164.5
I. Financial assets	1,164.5	1,164.5
Shares in affiliated companies	1,164.5	1,164.5
B. Current assets	353.9	342.7
I. Receivables and other Assets	338.5	1.5
1. receivables from affiliated Company	337.9	1.0
2. other assets	0.6	0.5
II. balances with credit institutions	15.4	341.2
Balance sheet total	1,518.4	1,507.2

Equity and liabilities

in EUR	**28/02/2023**	28/02/2022
A. Equity	1,514.2	1,488.4
I. Subscribed capital	186.2	186.2
Own shares	(13.7)	(15.8)
II. capital reserve	951.4	926.2
III. retained earnings	434.9	434.9
Other retained earnings	434.9	434.9
IV. Accumulated loss	(44.6)	(43.1)
B. Provisions	0.3	15.1
Other provisions	0.3	15.1
C. Liabilities	2.4	2.2
1. trade payables and other liabilities Services	0.7	0.1
2. liabilities to affiliated companies Company	1.4	2.1
3. other liabilities	0.3	0.0
D. Deferred tax liabilities	1.5	1.5
Balance sheet total	1,518.4	1,507.2

2.2 Income Statement

Income Statement of ABOUT YOU Holding SE from 01.03.2022 to 28.02.2023		
in EUR million	**2022/2023**	2021/2022
1. revenues	17.7	0.9
2. other operating income	0.1	1.4
3. cost of materials	(0.1)	0.0
Expenses for purchased services	(0.1)	0.0
4. Personnel expenes	(18.9)	(16.8)
a) Wages and salaries	(18.0)	(16.6)
b) Social security contributions	(0.9)	(0.2)
5. other operating expenses	(5.6)	(29.5)
6. interest and similar income	5.5	0.3
7. interest and similar expenses	(0.2)	(1.3)
8. taxes on income and earnings	0.0	2.0
9. earnings after taxes	(1.5)	(43.1)
10. net loss for the year	(1.5)	(43.1)
11. loss carried forward (previous year: profit carried forward)	(43.1)	434.9
12. transfer to revenue reserves	0.0	(434.9)
13. accumulated loss	(44.6)	(43.1)

3. Notes to the Financial Statements for FY 2022/2023

3.1 General data

ABOUT YOU Holding SE (hereinafter referred to as ""ABOUT YOU"" or the "Company") is a publicly listed European stock corporation with its registered office in Hamburg, Germany, which is entered in the Commercial Register of the Hamburg District Court under the number HRB 170972.

3.2 Accounting and valuation principles

Due to its capital market orientation, ABOUT YOU Holding SE is a large corporation within the meaning of Section 267 (3) Sentence 2 of the German Commercial Code (HGB). The annual financial statements were prepared in accordance with the statutory provisions for large corporations.

The income statement has been prepared using the nature of expense method.

Valuation of financial assets

Financial assets are measured at the lower of cost or fair value.

Valuation of receivables and other assets

Receivables and other assets are stated at nominal value less appropriate allowances.

Valuation of bank balances

Bank balances are stated at nominal value.

Valuation of equity

The measurement of treasury shares included in equity is explained in section 3.3 (4.). The valuation of share-based remuneration included in additional paid-in capital is presented in section 3.3 (6.).

Measurement of other provisions

Other provisions are recognized in accordance with prudent business judgment for uncertain liabilities in the amount necessary to settle the obligation.

Valuation of liabilities

Liabilities are measured at the settlement amount.

Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases that are expected to reverse in the future, to the extent permitted by section 274 of the HGB. In the event of a surplus of deferred tax assets, the existing recognition option is not exercised.

3.3 Notes to the balance sheet and income statement

(1.) Fixed assets

The development of fixed assets is as follows

Development of financial assets as of 2/28/2023

in EUR	Financial assets
Acquisition costs	
1/3/2022	**1,164.5**
28/2/2023	**1,164.5**
Depreciation	
1/3/2022	**0.0**
28/2/2023	**0.0**
Carrying amounts	
1/3/2022	**1,164.5**
28/2/2023	**1,164.5**

Development of financial assets as of 2/28/2022

in EUR	Financial assets
Acquisition costs	
1/3/2021	**874.6**
Additions	290.0
Disposals	0.1
28/2/2022	**1,164.5**
Depreciation	
1/3/2021	**0.0**
28/2/2022	**0.0**
Carrying amounts	
1/3/2021	**874.6**
28/2/2022	**1,164.5**

(2.) Financial assets

Shares in affiliated companies included in financial assets break down as follows as of February 28, 2023:

Company name/registered office	Share of capital in	Equity as of Feb. 28, 2023 in EUR million	Earnings for the financial year FY 2022/2023 in EUR million
ABOUT YOU Verwaltungs SE, Hamburg	100	366.7	(3.0)

In addition, ABOUT YOU Holding SE indirectly held shares in the following companies as of the reporting date February 28, 2023:

Company	Seat, country	Group shareholding Balance sheet date	Equity of the last financial year in EUR million	Result of the last financial year in EUR million
Adference GmbH[28]	Lüneburg, Germany	100.0%	1.5	0.0
ABOUT YOU SE & Co. KG[29]	Hamburg, Germany	100.0%	86.8	(256.0)
ABOUT YOU Beteiligungs GmbH[28]	Hamburg, Germany	100.0%	0.5	0.0
HH22-H385 Vorrats GmbH[28]	Hamburg, Germany	100.0%	0.3	(0.0)
LeGer GmbH[30]	Hamburg, Germany	40.0%	0.0	(11.5)
Guido Maria Kretschmer Ajour GmbH[31]	Hamburg, Germany	19.9%	0.0	(4.9)
The HAUS Apparel GmbH[32]	Berlin, Germany	49.0%	0.2	(0.5)
Soko München GmbH[32]	Munich, Germany	36.0%	0.2	(0.4)
Supreme GmbH[32]	Rostock, Germany	23.0%	0.6	(0.6)
Why Not Enterprises GmbH[33]	Berlin, Germany	43.0%	0.0	(0.2)
6PM GmbH[32]	Frankfurt am Main, Germany	19.96%	3.0	0.0
ABOUT YOU Zweite Beteiligungs GmbH[34]	Hamburg, Germany	100.0%	n/a	n/a

[28] Disclosure of equity according to EAV and the result as of December 31, 2022 in accordance with the German Commercial Code; Adference GmbH has a different financial year (January 1 to December 31).
[29] Disclosure of equity and earnings as of Feb. 28, 2023 in accordance with the German Commercial Code (HGB)
[30] Disclosure of shareholders' equity and net income as of December 31, 2022 (the Company has a net loss not covered by shareholders' equity) in accordance with HGB; LeGer GmbH has a different financial year (January 1 to December 31)
[31] Disclosure of equity and profit/loss as of Feb. 28, 2023 (the Company has a net loss not covered by equity) in accordance with the German Commercial Code (HGB)
[32] Disclosure of equity and earnings as of Dec. 31, 2021 in accordance with HGB
[33] Disclosure of equity and profit/loss as of February 28, 2022 (the Company has a net loss not covered by equity) in accordance with the German Commercial Code (HGB)
[34] If no annual financial statements are available yet due to new formation "n/a".

(3.) Receivables and other assets

All receivables reported in the statement of financial position had a remaining term of less than one year at February 28, 2023, as at the prior-year reporting date.

(4.) Equity

Equity increased by YoY 24.8 million. The key reason for this is the expense for share-based payments, which was presented in other provisions in the previous year and reclassified to additional paid-in capital as of February 28, 2023. The presentation as other provisions in the previous year was appropriate, as it was not actually certain whether these share-based payments would be settled by the granting of shares. As the initial settlement of the share-based remuneration in the financial year was now serviced by treasury shares, the remaining provision of EUR 14.1 million was reclassified accordingly to additional paid-in capital.

Number of Shares

As of the reporting date for the Consolidated Financial Statements, ABOUT YOU had issued 186,153,487 no-par value bearer shares of common stock. Each share represents a pro rata amount of the subscribed capital of EUR 1.00 and entitles the holder to one vote at the Company's Annual General Meeting.

Treasury Shares

As of the reporting date for the Consolidated Financial Statements, ABOUT YOU held 13,719,858 treasury shares (previous year: 15,758,072) with an acquisition cost of zero, from which the Company has no rights pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared with February 28, 2022, the number of treasury shares has been reduced by the number of virtual stock options exercised in the amount of 2,038,214 no-par value shares as part of share-based payments.

Authority of the Management Board to Issue or Repurchase Shares

Authorized Capital 2021

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind (“Authorized Capital 2021”). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders’ statutory pre-emptive rights in whole or in part in certain cases specified in Article 4 (4) of the Articles of Association. In simplified terms, this is possible in the following cases:

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,

- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or
- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association.

Conditional Capital 2021/I

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to 3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until 31 July 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on 31 May 2021. The conditional capital 57omestice will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

Powers to Issue Convertible Bonds or Bonds with Warrants / Conditional Capital 2021/II

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the “Bonds”) in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to EUR 75,480,000 of the Company’s registered share capital.

The Bonds may also be issued by a 57omesticc or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),

- to exclude fractional amounts from the shareholders' pre-emptive rights,

- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or

- insofar as Bonds are issued against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude pre-emptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfilment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers to Acquire Treasury Shares

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

- to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;

- for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);
- for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;
- to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or
- in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). For this purpose, the Company is authorized to:

- sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);
- purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and
- enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases)

Treasury shares may be acquired using put options, call options, forward purchases (together "Derivatives") and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company's share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

(5.) Other provisions

Other provisions were recognized mainly for personnel expenses and outstanding fees for auditing and consulting services. Other provisions decreased by EUR 14.8 million as of February 28, 2023, mainly as a result of the situation described in 3.3 (4).

(6.) Share-based payments

The key share-based payment awards are divided into the following eight programs, which are explained in detail below. All of the listed share-based payment awards for the Management Board, management and employees were accounted for using equity instruments in 2023. The programs are based on the assumption that the rules of the programs apply equally to all participants.

Management Board Program LTI 2021

In addition to the non-performance-related remuneration, the Management Board members were each granted options in the same amount by way of a one-time allocation under the LTI 2021 as part of the amendment to the service contracts of the Management Board on June 4, 2021. Each member of the Management Board was allocated a total of 1,702,128 (5,106,384 in total) options according to the following formula:

N = 80,000,000 / 2x exercise price

The LTI 2021 is an option program which, in addition to the time component in the form of continued Executive Board activity ("time vesting"), is linked to the development of key performance indicators of the Group and refers to target criteria from the area of ESG (Environmental Social Governance) ("performance vesting").

The key terms and conditions of the LTI 2021 are presented in detail below:

(a) Exercise price

The exercise price for each option corresponds to the mean value of the price range applicable to each share at the time of placement in the listing. The price range was set at EUR 21.00 to EUR 26.00 on June 7, 2021. Accordingly, the mean value is EUR 23.50 ("exercise price").

(b) Vesting period - time vesting

The options granted vest after the expiry of certain periods, provided that the Management Board member concerned remains with the Company at the expiry of the time limit ("time vesting"):

- 12% of options at the end of February 28, 2022
- 14% of options at the end of February 28, 2023
- 16% of options at the end of February 29, 2024

- 18% of options at the end of February 28, 2025
- 20% of options at the end of February 28, 2026
- 20% of options at the end of February 28, 2027

Depending on the vesting dates presented above, the options are divided into two tranches, which are subject to different terms and conditions under the "performance vesting" described below. Options that vest on or before February 28, 2025 (inclusive) (a total of 3,063,830 options) belong to Tranche 1 ("Tranche 1 options"). Options that vest at the end of February 28, 2026, and February 28, 2027 (in total 2,042,554 options) belong to Tranche 2 ("Tranche 2 options").

(c) Vesting period - performance vesting

In addition to the time component, a prerequisite for the vesting of the options is that certain predefined performance targets are also achieved within certain periods ("Performance Vesting"). These Performance Vesting targets were set by the Supervisory Board prior to the private placement and consist of the average annual growth of Group revenue ("revenue CAGR"), the development of the adjusted EBITDA ("adjusted EBITDA") of the Group and various ESG parameters. The Performance Vestings are included with different weightings in both Tranche 1 and Tranche 2, with "Revenue CAGR" taken into account at 60%, "Adjusted EBITDA" at 30% and the ESG parameters at 10% in the respective tranche. The degree of target achievement is determined on the basis of the medium-term target values set by the Supervisory Board prior to the private placement ("Current Medium-Term Performance Targets") and the future medium-term target values to be resolved by the Supervisory Board at the end of FY 2022/2023 ("Future Medium-Term Performance Targets"), whereby the higher value according to Current and Future Medium-Term Performance Targets is always decisive for the key performance indicator of revenue CAGR set out in the LTI 2021. If the respective Performance Vesting Targets are achieved by less than 85%, the options concerned will be forfeited without compensation. If the respective target is met by 85%, 20% of the options are forfeited. If it is met by 100%, no option is forfeited. In the range between 85% and 100%, the proportion of options that expire decreases linearly. For the options attributable to ESG criteria, a differentiation is only made between the target being met and not being met: If it is achieved, no option expires. If it is not achieved, all options allocated to this Performance Vesting Target expire. Tranche 1 options can be exercised for the first time after June 30, 2025, and tranche 2 options for the first time after June 30, 2027. Options that have not been exercised by June 30, 2029 (inclusive) expire without compensation. Options may only be exercised within certain exercise windows of two weeks specified in more detail in the LTI terms and conditions, which are in each case after the publication of the (preliminary) financial figures for a financial year, half-year or quarter. Exercise is not possible within certain closed periods defined in the LTI 2021 (so-called black-out periods). The exercise of options vested according to the aforementioned conditions is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price, i.e. EUR 47.00, no later than February 28, 2027 and additionally either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window ("exercise threshold").

(d)Settlement of Options

Upon exercise of the options, the respective Management Board member shall be delivered by the Company from the Conditional Capital a number of shares corresponding to the settlement value of the exercised options. The settlement value of the exercised options corresponds to the amount by which the share price exceeds the exercise price upon exercise, but is limited to 200% of the exercise price (i.e. EUR 47.00 per option - "cap").

Instead of delivering shares from the Conditional Capital, the Company may make a cash payment to the respective Management Board member in the amount of the settlement value per option (less payroll taxes and any other statutory levies to be withheld by the Company) (cash settlement) or service its obligation to deliver shares with existing treasury shares.

Programs for Managers and Employees

In addition to the management programs from FY 2021/2022, ABOUT YOU implemented the LTIP 2022, LTI RSUP 2022, and STI RSUP 2022 programs in FY 2022/2023, effective October 1, 2022. All programs issued in FY 2022/2023 are explained below. A distinction is made between ongoing, one-time granted and completed programs. Within these sections the programs are arranged chronologically by program launch.

Continuous Programs

RSUP & SOP 2021 et seq.

Effective FY 2021/2022, ABOUT YOU implemented the Restricted Stock Unit Plan (RSUP) and Stock Option Plan (SOP) management programs, effective October 1, 2021. The programs may be issued on a rolling basis, with two tranches per fiscal year and grant dates of April 1 and October 1 of each fiscal year. The RSUP & SOP management programs follow the VESOP 2017 - 2021 program, which is discussed in the "Completed Programs" section.

The Restricted Stock Unit Plan (RSUP) is aimed at ABOUT YOU executives and selected top performers within the organization, while the Stock Option Plan (SOP) is primarily aimed at senior members of the management team in the 1st and 2nd levels below the Management Board, who can divide the grant value of their annual share-based payments at the time of issue between restricted stock units (RSUs) and virtual stock options (Sos) according to the following distributions:

- Option 1: 100% SOP, 0% RSUP
- Option 2: 75% SOP, 25% RSUP
- Option 3: 50% SOP, 50% RSUP
- Option 4: 25% SOP, 75% RSUP
- Option 5: 0% SOP, 100% RSUP

RSUP 2021 ff.

The RSUP 2021 entitles executives and selected top performers within the organization to receive a compensation component with a long-term incentive effect. Under the program, a total of 84,836 RSUs were granted on April 1, 2022 and a total of 829,024 RSUs on October 1, 2022. The calculated issue prices of the RSUs at the grant dates were determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 16.91 for the issue on April 1, 2022, and EUR 7.17 on October 1, 2022. All eligible employees* will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, a portion of the RSUs granted will vest at the end of each year. Vesting of the restricted stock units granted on April 1, 2022 will be on a non-linear schedule. Accordingly, at the end of the first year, 15% of the RSUs granted will have vested, at the end of the second year, 25% of the RSUs granted will have vested and at the end of the third year, the remaining 60% percent of the RSUs granted will have vested. As of the grant date of October 1, 2022, the plan terms have been amended to a straight-line vesting. Accordingly, at the end of each year, one-third of the RSUs granted have vested. The total of all payouts of a tranche is limited to 350% of the grant value. The vested RSUs are issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

SOP 2021 ff.

The SOP 2021 entitles employees of the management team in the 1st and 2nd levels below the Management Board to receive a compensation component with a long-term incentive effect. Under the program, a total of 5,323 virtual stock options (Sos) were granted at April 1, 2022 and a total of 391,557 virtual Sos at October 1, 2022. The determined exercise prices of the virtual Sos depending on the grant dates were determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the share of ABOUT YOU Holding SE in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 16.91 for the issue on April 1, 2022 and EUR 7.17 for the issue on October 1, 2022. All eligible employees* will be notified of an individual euro amount as grant amount. To convert the virtual Sos granted into a number of virtual stock options, the grant value attributable to the SOP is first converted into a number of RSUs by dividing it by the exercise price. The number of RSUs thus determined is then multiplied by an exchange factor to determine the number of virtual stock options granted. The exchange factor is determined and is based on the fair value of a virtual stock option and the fair value of an RSU. The exchange ratio may vary from tranche to tranche, even within a year if several grants are made in a year, depending on the determination of the option price at the respective reporting date. The fair value of the stock option was determined using Monte Carlo simulation, individual parameters for the calculation of the fair value can be found in the consolidated table "Valuation of newly granted options". The virtual Sos granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, a portion of the virtual Sos granted will vest at the end of each year. Vesting of the virtual Sos granted on April 1, 2022, will be on a non-linear schedule. Accordingly, at the end of the first year, 15% of the virtual sos granted will have vested, at the end of the second year, 25% of the virtual sos granted will have vested, and at the end of the third year, the remaining 60% percent of the virtual sos granted will have vested . From the grant date of October 1, 2022, the plan terms have been amended to a straight-line vesting in line with the "RSUP 2021ff.". Accordingly, one third of the RSUs granted will have vested at the end of each year. The virtual stock options can be exercised for the first time after four years from the grant date. For the shares vesting at the first vesting date, the vesting period is three years, for the shares vesting at the second vesting date, the vesting period is two years. For the shares that vest on the third vesting date, the waiting period is one year. The total of all payments of a tranche is limited to 350% of the grant value. The SOP is serviced in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Subject to any insider trading rules and any lock-up periods, all earned virtual Sos can only be exercised after the expiry of the respective waiting period and before the expiry of the relevant end date, of a maximum of four years after the expiry of the respective waiting period and only within four weeks in each case, starting on the third working day after the announcement of the financial report for the respective quarter or financial year.

LTIP 2022 et seq.

Starting with FY 2022/2023, ABOUT YOU implemented the LTIP 2022 management program. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in more detail below, a management LTIP was granted to selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 12,166,687 virtual stock options (SOs) were granted as of October 1, 2022). This program represents a performance-related compensation component which in its terms basically follows a similar logic to the LTIP 2021 management program, but differs here in two key respects:

(a) Exercise price

The exercise price for each virtual option corresponds to the volume-weighted average closing price (rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days before the grant date. Accordingly, the exercise price is EUR 6.00. The exercise of the virtual options is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price, i.e. EUR 12.00, either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window, but no later than on the last day of the vesting period of the tranche 2 options ("exercise threshold"). However, the maximum value of the virtual options is limited to 300% of the exercise price, i.e. EUR 18.00 per virtual option ("cap").

(b) Vesting period - time vesting

The virtual options granted are allocated after the expiry of certain periods. The vesting period begins on April 1 and October 1 of the respective calendar year. The vesting period ends no later than the end of the last day of a 72-month vesting period from the grant date:

- 12% of the virtual options are allocated at the end of the last day of a 12-month vesting period from the grant date
- 14% of the virtual options are allocated at the end of the last day of a 24-month vesting period from the grant date
- 16% of the virtual options are allocated at the end of the last day of a 36-month vesting period from the grant date
- 18% of the virtual options are allocated at the end of the last day of a 48-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 60-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 72-month vesting period from the grant date

Virtual options with a vesting date prior to the expiry of 48 months from the grant date belong to tranche 1 ("tranche 1 - options"), virtual options with a vesting date after 60 or 72 months from the grant date belong to tranche 2 ("tranche 2 - options"). Tranche 1 - options can be exercised after a vesting period of 52 months, Tranche 2 - options can be exercised after a vesting period of 76 months. The LTIP 2022 will be serviced in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash.

Unique Programs

LTIP 2021

As of FY 2021/2022, ABOUT YOU implemented the one-time management program LTIP 2021. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in the previous section, a management LTIP was granted to selected members of the management team in the 1st and 2nd levels below the Management Board. This program represents a performance-based remuneration component, which in its terms and conditions with regard to (a) exercise price, (b) time vesting, (c) performance vesting and (d) settlement of options was set up entirely analogously to the performance-based remuneration system of the Management Board "Management Board Program - LTI 2021". Under the "Management LTIP 2021", a further 238,669 options were granted in FY 2022/2023, while 285,096 options were forfeited. Options that vest on or before February 28, 2025 (inclusive) (a total of 1,912,570 options) belong to Tranche 1 ("Tranche 1 options"). Options vesting at the end of February 28, 2026 and February 28, 2027 (in total 1,275,046 options) belong to Tranche 2 ("Tranche 2 options"). The servicing of the 2021 LTIP will be in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash.

EFSP 2021

As of FY 2021/2022, ABOUT YOU implemented the one-time Employee Free Share Plan, which is aimed at all employees* below the Board level who have been employed as employees* of ABOUT YOU for more than six months as of the grant date of December 1, 2021. Under this program, 31,703 ABOUT YOU restricted stock units (RSUs) were granted as of the grant date of December 1, 2021. The RSUs were granted on a one-time, voluntary basis as of December 1, 2021, with no entitlement to future grants of RSUs or other remuneration. All eligible employees* will be notified of an individual euro amount as the grant amount, which is dependent on the length of employment with ABOUT YOU at the grant date. Employees who have been employed by ABOUT YOU for less than or exactly six months at the grant date will not receive RSUs. Employees who have been employed by ABOUT YOU for more than six months but less than 18 months at the grant date will receive a grant value of EUR 500. Employees who have been employed by ABOUT YOU for at least 18 months but less than 30 months at the grant date will receive a grant value of EUR 1,000. Employees who have been employed by ABOUT YOU for more than 30 months at the grant date will receive a grant value of EUR 1,500. For employees who have been employed by ABOUT YOU for at least 30 months at the grant date, the Management Board of ABOUT YOU may determine a grant value of more than EUR 1,500 at its discretion. The calculated issue price of allocated RSUs was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the share of ABOUT YOU Holding SE in XETRA trading during the last 90 trading days prior to the grant date and amounted to EUR 21.74 for the issue on December 1, 2021. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of two years from the grant date. Within the two-year vesting period, half of the RSUs granted vest after the end of each year. Accordingly, at the first vesting date after the end of the first year on December 1, 2022, 50% of the RSUs granted have been vested and issued in shares. At the end of the second year on December 1, 2023, the remaining 50% of the RSUs granted will have vested. Payment will be made with the payroll for the month following the respective vesting date. The vested RSUs will be issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may, at its discretion, decide to pay out in cash.

STI RSUP 2022

Beginning with FY 2022/2023, ABOUT YOU implemented the one-time management program STI RSUP 2022 for executives at ABOUT YOU and selected top performers*. Under the program, a total of 526,811 restricted stock units (RSUs) were allocated as of October 1, 2022. The determined issue prices of the RSUs at the grant dates were calculated according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees* will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to vesting for one year from the grant date. The total of all payouts of a tranche is limited to 350% of the grant value. The RSUs earned are issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

LTI RSUP 2022

Starting in FY 2022/2023, ABOUT YOU implemented the one-time management program LTI RSUP 2022 for selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 141,189 restricted stock units (RSUs) were allocated as of October 1, 2022. The determined issue prices of the RSUs at the grant dates were calculated according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a non-linear vesting period of six years from the grant date:

- 12% of the RSUs granted have vested as of September 30, 2023
- 14% of the RSUs granted have vested as of September 30, 2024
- 16% of the RSUs granted have vested as of September 30, 2025
- 18% of the RSUs granted have vested as of September 30, 2026
- 20% of the RSUs granted have vested as of September 30, 2027
- 20% of the RSUs granted have vested as of September 30, 2027

The sum of all payouts of a tranche is limited to 350% of the grant value. The earned RSUs are issued in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. The payout is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

Completed Programs

VESOP 2017-2021

Starting in FY 2017/2018, ABOUT YOU granted virtual shares to executives and selected top performers* on an annual basis. The virtual shares entitle ABOUT YOU employees to receive a bonus, depending on whether there is a listing or a private sale in which the buyer directly or indirectly holds more than 75% of the voting shares in the Company. The valuation of the virtual shares of each tranche was based on the current enterprise value at the respective grant date. Due to the completion of the listing of ABOUT YOU on June 16, 2021, such a bonus event occurred, where the entire individual bonuses of the employees were converted into virtual shares of ABOUT YOU. Shortly before the event, a modification of the contract was made. It was additionally stipulated that the allocated virtual shares would vest for all participating employees upon completion of the listing and would subsequently be subject to a vesting period of 12 months. Upon completion of the listing of ABOUT YOU on June 16, 2021, a total of 2,033,871 virtual shares were granted. For the determination of the virtual shares of ABOUT YOU, the gross entitlement of the respective employee was first determined on the basis of the respective accumulated bonuses in accordance with the provisions of the VESOP agreement. However, in deviation from the original provisions of the VESOP agreement, after the modification transaction costs arising from the listing are not deducted in the calculation of the enterprise value. No key effects resulted from this modification. The number of virtual shares is determined by dividing the gross entitlement of the participating employee by the placement price. The placement price means the final price per share of ABOUT YOU achieved in the course of the listing, which was based on the enterprise value of the listing and amounted to EUR 23.00 for the issue on June 16, 2021.

As of FY 2022/2023, ABOUT YOU implemented another RSU issuance program, RSUP 2022, under the VSOP 2017 - 2021. Under RSUP 2022, additional RSUs are granted to beneficiaries upon exercise of virtual stock options of the VESOP 2017 - 2021. A total of 803,721 RSUs were granted under the program. The RSUs granted will be settled following the three predefined exercise windows in terms of time during which ABOUT YOU grants participants the opportunity to exercise virtual shares. Thus, 237,936 restricted stock units were distributed on Aug. 14, 2022, followed by 285,938 RSUs on Nov. 07, 2022, and 279,847 RSUs on February 4, 2023. The RSUs granted are not subject to further vesting.

Development of Outstanding Virtual Options

	LTI 2021		LTIP 2021		LTI SOP 2021	
	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)
Outstanding as of 28/2/2022	5,106,384	23.5	3,234,043	23.5	179,316	22.71
Granted in the reporting period (March 2022)	0	-	238,669	23.5	0	-
Granted in the reporting period (April 2022)	0	-	0	-	391,557	16.91
Granted in the reporting period (October 2022)	0	-	0	-	5,323	7.17
Forfeited in the reporting period	0	-	285,096	23.5	19,949	22.71
Exercised in the reporting period	0	-	-	-	0	-
Outstanding at 1/3/2023	5,106,384	23.5	3,187,616	23.5	556,247	18.48

	LTIP 2022	
	Quantity	Weighted average exercise price (in EUR)
Outstanding as of 28/2/2022	0	-
In the reporting period granted	12,166,687	6
Forfeited in the reporting period	0	-
Exercised in the reporting period	0	-
Outstanding at 1/3/2023	12,166,687	6

Valuation of Newly Granted Virtual Options

Valuation parameters	**LTI SOP 2021**	**LTI SOP 2021**	**LTIP 2022**
Allocation date	April 2022	October 2022	October 2022
Weighted average exercise price (in euros)	16.91	7.17	6
Peer group volatility (%)	40.31	53.51	53.3
Expected dividends (%)	0.0	0.0	0.0
Option term (in years, from grant date)	7.5	7.5	8.3
Maturity-equivalent risk-free interest rate (%)	0.41	1.94	2.8
Weighted average fair value of the option (in EUR)	3.23	1.53	0. 90

(7.) Liabilities

As in the previous year, all liabilities have a remaining term of less than one year.

Other liabilities included tax liabilities of EUR 0.3 million as of the reporting date (previous year: EUR 0.0 million).

(8.) Deferred taxes

The net deferred taxes with an excess liability of EUR 1.5 million (previous year: EUR 1.5 million) are based on a different valuation of the investment in ABOUT YOU Verwaltungs SE under commercial and tax law. The different valuations are related to a contribution transaction of the financial year 2019/2020 and the associated book value application for tax balance sheet purposes in the reporting year. In accordance with Section 8b of the German Corporation Tax Act (KStG), deferred tax liabilities were recognized on 5% of the difference.

The deferred tax assets of EUR 2.6 million included in the balance sheet at the reporting date result from the partial recognition of deferred tax assets from corporate tax loss carryforwards of EUR 51.3 million and trade tax loss carryforwards of EUR 51.0 million, taking into account the minimum taxation requirement. The tax rate applied for the recognition of deferred taxes was 32.3 %.

The balances changed as follows during the financial year:

Type	Balance (EUR million) 2/28/2022	Balance (EUR million) 2/28/2023	Change (EUR) 2022/2023
Deferred tax assets	2.6	2.6	0.0
Deferred tax liabilities	4.1	4.1	0.0
Balance (liability surplus)	1.5	1.5	0.0

(9.) revenue

Revenues include income from the recharging of expenses for central functions to the subsidiaries. There was a sharp increase in revenue of EUR 16.7 million, which resulted from the recharging of personnel expenses within the Group. The reason for this, in addition to the recharging of share-based remuneration, is an intragroup transfer of administrative departments from ABOUT YOU SE & Co. KG to ABOUT YOU Holding SE. See also the development of employees in 3.4.1.

(10.) Other operating income

Other operating income in the previous year included income relating to other periods from the reversal of provisions amounting to EUR 1.3 million. This related to the unused portion of provisions for expenses from the listing.

(11.) Personnel expenes

Personnel expenes include EUR 12.4 million (2021/2022: EUR 14.8 million) in expenses from share-based remuneration, Please refer to the comments in section 3.3 (6.).

(12.) Other operating expenses

Other operating expenses decreased by EUR 23.9 million compared with the previous year, primarily due to the costs of the listing included in the previous year .

(13.) Interest and similar income

The interest result improved by EUR 6.3 million due to the loans issued to affiliated companies and the resulting interest income. Interest and similar income includes EUR 5.5 million (2021/2022: EUR 0.3 million) in income from affiliated companies.

3.4 Other information

3.4.1 Employees

The average number of employees during the financial year was converted into full-time equivalents:

Type	2022/2023	2021/2022
Permanent employees	77	18
Working students and temporary staff	2	1

3.4.2 Management Board

The Management Board of the Company is composed of the following members:

- Tarek Müller, Chief Marketing Officer, Hamburg
- Hannes Wiese, Chief Operating Officer, Hamburg
- Sebastian Betz, Chief Technical Officer, Hamburg

The total remuneration of the Management Board members of ABOUT YOU amounted to EUR 0.8 million in the financial year (FY 2021/2022: EUR 4.6 million). Of the total remuneration, EUR 0.8 million is due in the short term.

3.4.3 Supervisory Board

The Supervisory Board of the Company is composed of the following members:

- Sebastian Klauke (Chairman of the Supervisory Board), Managing Director of Otto (GmbH & Co. KG)
- Niels Jacobsen (Vice Chairman of the Supervisory Board), CEO at William Demant Invest A/S
- Petra Scharner-Wolff, Managing Director of Otto (GmbH & Co. KG)
- Christina Johansson, Group CFO and Member of the Executive Committee of dormakaba International Holding AG
- Christian Leybold, Co-Founder and Managing Partner at e.ventures Managementgesellschaft mbH
- André Schwämmlein, Co-Founder and CEO of Flix SE

The remuneration owed to the Supervisory Board members for FY 2022/2023 amounts to EUR 0.6 million and is due and thus payable after the end of the reporting period in accordance with the currently valid remuneration arrangements for the Supervisory Board under section 15 of the Articles of Association.

3.4.4 Total fee of the auditor

The total auditor's fee can be seen in the Consolidated Financial Statements of ABOUT YOU Holding SE. In addition to the audit of the financial statements, the auditor provided other certification services in the financial year.

Other assurance services result primarily from the voluntary substantive review of the remuneration report and the performance of reviews of interim financial reporting.

3.4.5 Group affiliation

The Consolidated Financial Statements of ABOUT YOU Holding SE cover the period from March 1, 2022 to February 28, 2023 and represent the consolidated financial statements for the smallest group of companies to which ABOUT YOU Holding SE belongs.

Otto Aktiengesellschaft für Beteiligungen, Hamburg, as the ultimate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the largest group of Group companies, and Otto (GmbH & Co KG), Hamburg, as the immediate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the smallest group of Group companies. The Consolidated Financial Statements are published in the Federal Gazette.

3.4.6 Appropriation of earnings

The Management Board will propose to the Annual General Meeting to carry forward the reported accumulated loss.

3.4.7 Declaration on the Corporate Governance Code

The declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued in July 2022 and made available to the shareholders of ABOUT YOU Holding SE. It can be viewed at https://ir.aboutyou.de/websites/about-you/German/7000/governance.html.

3.4.8 Voting rights notifications

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings of which ABOUT YOU Holding SE has been notified in accordance with Section 33 (1) or (2) of the German Securities Trading Act (WpHG).

The following table shows the shareholdings in ABOUT YOU subject to reporting requirements as of the balance sheet date, of which the Group has been notified in each case. The information relates in each case to the notifications made to ABOUT YOU in the reporting year by a party subject to reporting requirements.

All publications on notifications of shareholdings in the reporting year can be found on the Company's website (Voting Rights).

Notifiable shareholdings

Notifying party	Shareholder Names	Date of reaching, exceeding or falling below	Reporting threshold	Notification obligations and attributions in accordance with WpHG	Shareholdings in %	Number of voting rights
Otto (GmbH & Co KG), Hamburg; GFH Company für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12.6.2018, Aarhus, Denmark	Prof. Dr. Michael Otto, Anders Holch Povlsen & Benjamin Otto	23/2./023	> 50%	§ 34	64.74	119,690,059
Otto (GmbH & Co KG), Hamburg; GFH Company für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12.6.2018, Aarhus, Denmark	Prof. Dr. Michael Otto, Anders Holch Povlsen & Benjamin Otto	17/8/2022	> 50%	§ 34	63.494	118,186,279
JPMorgan Chase & Co.	n/a	6/4/2022	< 3%	§ 34	2.75	5,124,005
JPMorgan Chase & Co.	n/a	5/4/2022	>3%	§ 34	3.17	5,893,710

It should be noted that the information on the percentage shareholding and voting rights may be outdated in the meantime. Up to the date of preparation of the annual financial statements, no notifications had been received that would change the ratios shown in the table.

3.4.9 Events after the reporting period

No events of particular significance that could have a key financial impact on these financial statements have occurred since the balance sheet date.

3.5 Insurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the combined management report of the Company and ABOUT YOU Holding SE includes a fair review of the development and performance of the business and the position of the Company, together with a description of the key opportunities and risks associated with the expected development of the Company and ABOUT YOU Holding SE.

Hamburg, May 5, 2023

Tarek Müller	Hannes Wiese	Sebastian Betz

4. Glossary

1P

Part of hybrid business model; own inventory, including third-party brands, Own Labels, and COOPs

3P

Part of hybrid business model; third-party inventory of brand partners, used in the context of ABOUT YOU's drop shipping and FbAY models

ABOUT YOU COMMERCE

ABOUT YOU's Commerce business; includes fashion sales to consumers via the website and app and comprises the two segments of ABOUT YOU DACH and ABOUT YOU RoE

ABOUT YOU DACH

ABOUT YOU DACH; reportable segment comprising ABOUT YOU's home region of Germany, Austria, and Switzerland

ABOUT YOU ROE

ABOUT YOU Rest of Europe; reportable segment comprising ABOUT YOU's sales regions outside of DACH in Europe, includes all key markets in Continental Europe

ACTIVE CUSTOMERS

Customers who have made at least one purchase through ABOUT YOU's websites and apps within the last twelve months

ADJUSTED EBITDA

EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

AOF

Average order frequency; total number of orders divided by total number of active customers

AOV

Average order value; value of all merchandise sold to customers in the Commerce business, incl. VAT after cancellations and returns, divided by the number of orders within the last twelve months

APM

Alternative performance measures; alternative performance indicators without recognition according to IFRS

CAGR

Compound annual growth rate; indicates the mean rate of growth for each year of the relevant period

CAPEX

Capital expenditures; payments for investments in intangible assets, property, plant, and equipment, acquisition of company shares, payments, and repayments for loans as well as interest expenses

CEE

Central and Eastern Europe

COOPs

Exclusive brands and (limited) exclusive collections in close cooperation with influencers, celebrities, and brands

D2C

Direct-to-consumer; sales made directly to end customers rather than retailers or wholesalers

DC

Distribution center

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation, and amortization

EBITDA MARGIN

Ratio of EBITDA to revenue

EMPLOYEES (AS OF REPORTING DATE)

Permanent employees expressed as full-time equivalents (as of the balance sheet date)

ENABLING

360° services for third-party brands, which contain e-commerce operations and marketing growth services, part of segment TME

EPS

Earnings per share

FbAY

Fulfillment by ABOUT YOU

FREE CASH FLOW

Cash flows from operating activities plus cash flows from investing activities (except for investments in time deposits and restricted cash)

FY

Financial year

GEN Y&Z

Generations Y&Z; Generation Y refers to people born between 1984 and 1996 and Generation Z refers to people born in 1997 or after[35]

GHG EMISSIONS

Greenhouse gas emissions

GMV

Gross merchandise volume; the value of all merchandise sold on ABOUT YOU, incl. VAT and after cancellations and returns

LTM

Last twelve months

MEDIA

Brand and advertising solutions, which include different online and offline advertising formats for brand partners, part of segment TME

MINIMUM VIABLE PRODUCT

Launch version of a product with a basic set of features to gain customers with minimal effort while learning about their needs

MOBILE SESSIONS

Sessions (in %) via a mobile device, e.g., a smartphone, within the last twelve months, divided by the total of sessions in the given time period

NET WORKING CAPITAL

Inventories plus receivables (includes trade receivables and other current assets) minus current liabilities (includes trade payables, other payables, and provisions for returns)

QoQ

Quarter-over-quarter; this quarter compared to last quarter

SaaS

Software-as-a-service

SEU

Southern Europe; Spain, France, Italy, Greece, and Portugal

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[35] Pew Research Center (2019) – Defining generations: Where Millennials end and Generation Z begins

TECH

E-commerce software solutions from ABOUT YOU, which are offered to third parties, part of segment TME

TME

Tech, Media, and Enabling; ABOUT YOU's B2B segment with the revenue streams of Tech, Media, and Enabling

TOTAL NUMBER OF ORDERS

Number of orders within the last twelve months

TOTAL REACH

Total media reach refers to total views of posts, reels, and stories on Instagram, video views on TikTok, and views of Facebook posts

USER SESSIONS

All sessions done across all countries, excl. sessions without interaction

USP

Unique selling proposition; a feature or perceived benefit of a product or service which sets it apart from the rest of competing brands in the market

YoY

Year-on-year; this year's quarter compared to the previous year's quarter